RealPropertyResearchGroup

Market Feasibility Analysis

Gray Gardens Apartments

Gray, Jones County, Georgia

DCA Project Number 07-005

Prepared for
The Georgia Department of Community Affairs

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I. Executive Summary

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Gray Gardens Apartments. Gray Gardens Apartments will be a newly renovated LIHTC rental community consisting of 55 general occupancy rental units. All units will be tax credit and targeted to renters earning no more than 50 percent and 60 percent of the Area Median Income. All of the existing units currently have and will retain project-based rental assistance; therefore, tenants will pay a percentage of his or her income toward housing costs. Gray Gardens is located on the east side of United States Highway 129 just north of Pine Street and within one-third mile of Clinton Street, Gray's primary thoroughfare.

Field work and data collection was conducted in May and June 2007. The site, comparables, and market area were visited on March 31, 2007 by Tad Scepaniak, Principal. The Executive Summary follows and is based on DCA's market study guidelines.

1. **Market Demand and demand trends for the proposed, existing or rehabilitated units given the existing and proposed economic conditions of the area.**

   a. Affordability analysis and DCA demand estimates indicate adequate demand to support the proposed units at Gray Gardens.

   b. Between 1990 and 2005, the number of jobs in Jones County increased 10 times and decreased five times. Overall, at-place employment has increased by 982 or 42.8 percent between 1990 and 2005.

   c. The unemployment rate in Jones County has historically been below than the state figures while following similar trends. Since 2001, Jones County's unemployment rate has been above the state's rate once. The current unemployment rate (2007 Q1) is a very healthy 4.2 percent.

2. **Stabilization projections for the subject property until a sustaining occupancy level of 93% can be achieved for the project. If stabilization projections for the subject differ significantly from historical data, an explanation must be given.**

a. We have estimated that Gray Gardens Apartments should be able to lease up at a minimum rate of 10 units per month. At this rate, the project would be able achieve 93 percent occupancy within an approximate five month period.

b. We believe that Gray Gardens apartments should be able to maintain an occupancy level of 93 percent or higher after releasing units that become vacant during renovation.

c. This absorption estimate and sustained occupancy is supported by existing rental communities in the region, current occupancy, continuation of PBRA, and the calculated demand estimates.

3. Absorption projections for each bedroom category type and for the subject property as a whole.

a. As noted above, we have estimated that the subject property will lease approximately 10 units per month.

b. The proportion of monthly absorption is expected to be similar to the overall unit distribution of the proposed unit mix. Average monthly absorption by bedroom size is 1.5 one bedroom units, 4.5 two bedroom units, and 4.0 three bedroom units.

4. Comparable units in the proposed project's primary market area.

a. The 8 surveyed communities combine to offer 930 rental units. Half of the eight communities offer garden style units, one offers duplex units, and one offers both garden and townhouse units. The average age of the surveyed communities is 22 years. Only one of the communities has been built since 2000 and none were built in the 1990s.

b. Among the 930 units offered at these 8 rental communities, 86 were reported vacant for a rate of 9.2 percent. Three communities report vacancy rates of 10 percent or higher and three reported less than 5 percent vacant. The only LIHTC property reported a vacancy rate of 7.5 percent, a result of only 3 vacancies among 40 units. The subject property is a proposed renovation of an existing community with a vacancy rate of 7.2 percent.

c. Overall, the primary market area’s rental stock appears stable. The current occupancy of the subject property is 93 percent.

5. Appropriateness of unit rent, unit mixes, and unit sizes.

a. The estimated market rents for the proposed units at Gray Gardens are $476 for a one bedroom unit, $502 for a two bedroom unit, and $633 for a three bedroom unit.

b. The proposed one and two bedroom units are priced comparably to the estimated market rent, but approximately three percent higher. The proposed three bedroom rents are priced 14 percent below the estimated market rent.

c. Given the lack of newly constructed or renovated units in the primary market area, the proposed renovation of the subject property, the current occupancy of 93 percent, and the existing project based rental assistance, the proposed rents appear reasonable and appropriate

d. The proposed rents appear reasonable and appropriate.

6. **Appropriateness of interior and physical amenities including appliance package.**

   a. The proposed amenities, including appliance package, will be comparable to most rental communities in the region. Interior amenities will include a dishwasher, microwave, and washer/dryer connections.

   b. The newly renovated units will modernize the property beyond most properties in the primary market area.

   c. Community amenities will include outdoor picnic/sitting areas, fitness center, community room, and a children's activity center.

   d. The proposed Gray Gardens will offer a competitive amenities package.

7. **Location and distance of subject property in relationship to local amenities.**

   a. Gray Gardens will be located within close proximity to area amenities including shopping, healthcare facilities, and transportation arteries.

   b. No negative surrounding land uses were identified. The subject site is located in an established residential neighborhood.

8. **Correlation of the subject property to the eligible tenant target population through an analysis of capture rates for each target tenant segment. Given the target population, existing market conditions and market capture rates less than 30% of all one and two bedroom units, less than 40% for all three bedroom units, less than 50% for all four bedroom units in the project and less than 30% for the LIHTC units, Market Rate and for the project as a whole.**

a. The calculated capture rates for the proposed units at Gray Gardens all fall below these thresholds.

b. Capture rates based on DCA's demand methodology are 21.0 percent for the 50 percent units, 13.0 percent for the 60 percent units, and 26.5 percent for all units. These capture rates are all within DCA's general range of acceptability. These capture rates do not account for tenant retention, which is expected to be high. If as little as half of the units remained occupied during the renovation process, the actually capture rate will be 13.3 percent for all units. The existence of PBRA will lower the capture rates further.

9. A candid, detailed conclusion about the strength of the market for the project as proposed.

a. The primary market area's household growth is expected to surpass the region's growth over the next five years.

b. The proposed renovation and project based rental assistance will make the subject property one of the more attractive affordable rental communities in the region. .

c. Based on affordability and demand estimates, sufficient demand exists to support the units at Gray Gardens. The current occupancy and expected tenant retention bolster these demand estimates.

d. The vacancy rates in the primary market area are stable. We believe that Gray Gardens will be able to maintain occupancy of 93 percent or higher.

e. Economic conditions are stable and support the proposed development of additional affordable rental units.

f. We believe the product is properly positioned and will be well received in the primary market area. Gray Gardens will fill a void for modern and affordable rental housing.

10. Summary Table

Unit Size	AMI Target	Units	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Rent	Proposed Rents
One Bedroom Units	50%	4	41	0	41	9.9%	5 Months	$465	$492
	60%	4	92	0	92	4.3%	5 Months	$465	$492
	Total	8	92	0	92	8.7%	5 Months	$465	$492
Two Bedroom Units	50%	12	57	0	57	21.0%	5 Months	$577	$510
	60%	12	119	0	119	10.1%	5 Months	$577	$510
	Total	24	119	0	119	20.2%	5 Months	$577	$510
Three Bedroom Units	50%	12	98	0	98	12.2%	5 Months	$630	$551
	60%	11	173	0	173	6.3%	5 Months	$630	$551
	Total	23	173	0	173	13.3%	5 Months	$630	$551

Proposed Project Capture Rate LIHTC Units	26.5%
Proposed Project Capture Rate Market Rate Units	0.0%
Proposed Project Capture Rate All Units	26.5%
Proposed Project Stabilization Period	5 Months

II. Introduction

Real Property Research Group, Inc. has been retained by The Georgia Department of Community Affairs (DCA) to conduct a market feasibility analysis of Gray Gardens Apartments. Gray Gardens Apartments will be a newly renovated LIHTC rental community consisting of 55 units. The existing community consists of 56 rental units, but one unit will be converted to community space. Gray Gardens will be a general occupancy community catering to family renter households. All of the units will benefit from Low Income Housing Tax Credits with units targeting renter households at 50 percent and 60 percent of the Area Median Income. Tenants will also benefit from the continuation of existing HUD project based rental assistance (PBRA). With this PBRA, tenants will pay 30 percent of their income toward housing costs with tenant contributions not to exceed the published LIHTC rents. Most tenants are expected to pay well below the published rents at Gray Gardens.

The existing Gray Gardens community is located on the east side of U.S. Highway 129, just north of Pine Street and within one-third mile of downtown Gray. The existing community consists of ten two-story residential buildings and a separate community building.

Existing unit sizes at Gray Gardens are 631 square feet for the one bedroom units, 839 square feet for the two bedroom units, and 1,056 for the three bedroom units. The one and two bedroom units will have one bathroom, while the three bedroom units will have two bathrooms.

HUD has computed a 2007 median household income of $50,700 for Jones County, in which the subject site is located. Based on that median income adjusted for household size, the maximum income limit and minimum income requirement is computed for each floorplan in Table 1. The minimum income limit is calculated assuming 35% of income is spent on total housing cost (rent plus utilities). The maximum allowable incomes for LIHTC units are generally calculated assuming 1.5 persons per bedroom. These income limits have been rounded up to the nearest whole number per DCA instructions.

This analysis takes into account pertinent trends in housing supply and demand in a distinct market area delineated with respect to the subject site.

Conclusions are drawn on the appropriateness of the proposed rents and projected length of initial absorption.

Table 1 Project Specific Rent and Income Limits, Gray Gardens

Unit Type	AMI %	# Units	# Bed	Net Rent	Utility Allowance	Gross Rent	Maximum Gross Rent	Maximum Income	Minimum Income
LIHTC	50%	4	1	$492	$42	$534	$516	$22,000	$18,309
LIHTC	50%	12	2	$510	$63	$573	$619	$24,750	$19,646
LIHTC	50%	12	3	$551	$75	$626	$715	$29,700	$21,463
LIHTC	60%	4	1	$492	$42	$534	$619	$26,400	$18,309
LIHTC	60%	12	2	$490	$63	$553	$743	$29,700	$18,960
LIHTC	60%	11	3	$590	$75	$665	$858	$35,640	$22,800

The report is divided into six sections. Following the executive summary and this introduction, Section 3 provides a project description and an analysis of local neighborhood characteristics. Section 4 examines the socio-economic and demographic characteristics of the delineated market area. Section 5 presents demand estimates and capture rates. Section 6 presents a discussion of the competitive residential environment. Section 7 discusses conclusions reached from the analysis and estimates the demand for the project using growth projections and income distributions.

The conclusions reached in a market study are inherently subjective and should not be relied upon as a determinative predictor of results that will actually occur in the marketplace. There can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors including the performance of management, the impact of changes in general and local economic conditions and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions attached as Appendix I and incorporated in this report.

III. Project Description and Site Evaluation

A. Project Overview

The newly renovated rental community will include 55 one, two, and three bedroom units contained within ten two-story residential buildings. The construction will be wood frame with at least 40 percent masonry exteriors. The remainder of the exterior will have vinyl siding. The unit mix will include 8 one bedroom units at 631 square feet, 24 two bedroom units at 839 square feet, and 23 three bedroom units at 1,056 square foot. One of the existing 24 three bedroom units will be converted to community space. The one and two bedroom units have one bathroom and the three bedroom units have two bathrooms.

Project Summary - Gray Gardens	
Project Data	
Name	Gray Gardens
Total Units	55
Target Market	General Occupancy
Construction Type	Brick/Vinyl
Income Targeting	50%, 60%
Project Based Rental Assistance	Section 8
Construction	Rehab
Current Occupancy	92.80%
Building Type	Garden, Two Story
Placed-In Service Date	2009
Site/Location	
City	Gray
County	Jones
Address	U.S. Hwy 129, N. of Pine St
Acreage	8.03

Each of the newly renovated units at Gray Gardens will feature:

- A full kitchen including an electric range, a refrigerator, a garbage disposal, a dishwasher, and a microwave oven.
- Wall-to-wall carpeting in the bedrooms, living room, dining room and hallways. The kitchen, entry and bathrooms will feature scuff-resistant vinyl flooring.
- Washer and dryer connections.
- Electric central heat (heat pump) and air conditioning.

Common area amenities will include a separate community building with community gathering areas, an exercise/fitness center, a children's activity center, and a furnished library. Exterior amenities will include basketball court, covered picnic area, playground with tot lot, and large open playing fields.

The proposed rents and unit configuration is shown below in Table 2. The rents shown will include the cost of water, sewer, and trash removal. All of the units will retain existing PBRA and the tenant paid rent will be based on a percentage of income and will not exceed these published rents. The existence of this additional subsidy can lead to proposed contract rents in excess of maximum allowable LIHTC rents. Tenants will not pay more than maximum LIHTC rents and in most cases will pay well below these publish rents.

Table 2 Proposed Unit Configuration and Rents

Unit Type	Building Type	AMI Level	Units	# Bed	# Bath	Avg Size	Net Rent	Rent/Sq Ft
LIHTC	Garden	50%	4	1	1	631	$492	$0.78
LIHTC	Garden	50%	12	2	1	839	$510	$0.61
LIHTC	Garden	50%	12	3	2	1,056	$551	$0.52
LIHTC	Garden	60%	4	1	1	631	$492	$0.78
LIHTC	Garden	60%	12	2	1	839	$490	$0.58
LIHTC	Garden	60%	11	3	2	1,056	$590	$0.56
		Total/Avg.	**55**			**899**	**$528**	**$0.59**

The subject property will be a renovation of an existing rental community. The proposed scope of work will include:

SITE AND EXTERIORS:

- Provide covered picnic building with free-standing grills
- Equipped basketball court, gazebo, playground, Tot-lot and playing field
- New drive, apron and curbing around dumpsters with vinyl fenced enclosures
- Addition and renovation to community center to include a furnished library, furnished children's activity center and equipped exercise fitness center
- Provide one washer and dryer per 25 units in laundry room
- Re-grade to fill eroded areas
- Provide fencing along street side entry of property and around tot-lot
- Replace mail facilities
- Provide entry streetscapes with fencing, lighting and illuminated facility sign
- Upgrade landscaping, add larger trees and seating at community areas
- Apply new topping and re-stripe parking areas, provide wheelchair ramps, rework existing curb where necessary and repair/replace/add concrete walks
- Upgrade lighting in parking lots and common areas
- Clean existing lines to city sewer
- Add covered entries to all building and units and add new vinyl shutters
- Pressure wash existing exterior building walls, replace vinyl siding and add new masonry as needed

- Install new algae resistant asphalt shingled roof, ridge vent, gutters, downspouts, splashblocks, and soffits
- Replace public bathroom fixtures and accessories

UNIT INTERIORS:

- Replace all existing doors and windows
- Install new bath accessories and grab bars, bath fixtures and plumbing
- Provide new closet doors and trim
- Install new kitchen countertops, sinks and base and overhead cabinets
- Remediate ACM found in sink undercoating
- Install new energy star refrigerator, range and hood with ventilation to the exterior, microwave, dishwasher and washer dryer hookups
- Install new energy star lighting fixtures
- Replace ceiling and install R-38 insulation in attic space
- Remediate ACM found in flooring and install new resilient flooring in wet areas
- Add new frame walls and Install new carpet and trim
- Replace HVAC with split system heat pump and cooling system
- Replace thermostat, ducts and provide fresh air intake before return air infiltration
- Replace smoke detectors and Install carbon monoxide fire suppression system
- Replace electrical service to meter base, rewire range to panel box circuit and
- Relocate all switches, provide GFI switches where needed, provide Arc-Fault breakers in bedroom and provide quick disconnect at HVAC condensing unit
- Install call system with buzzer and light to exterior in all units
- Install new water heater
- Install new energy star toilet exhaust with timer, vanities and window blinds
- Provide emergency pull-stations in accessible unit bathrooms and all bedrooms

B. Site and Neighborhood Description

Gray Gardens Apartments is located on the east side of United States Highway 129, approximately one-third mile north of its intersection with Clinton Street. The existing rental community is located just north of Pine Street and is on the edge of the established portion of Gray and Jones County as little development exists to the north of the property. Existing land uses in the immediate vicinity include single-family detached homes and wooded land. Bordering land uses include:

North: Wooded land and scattered single-family detached homes. An industrial park is located within one-quarter mile northwest of the site.

East: Wooded land. Single-family detached homes are located one-third mile from the subject site but not visible.

South: Single-family detached homes and a Farm Bureau office building.

West: Wooded land.

The existing property is access via an entrance on U.S. Highway 129. Given the sparsely developed immediate area, traffic in front of the site is light. Accessibility problems are not anticipated.

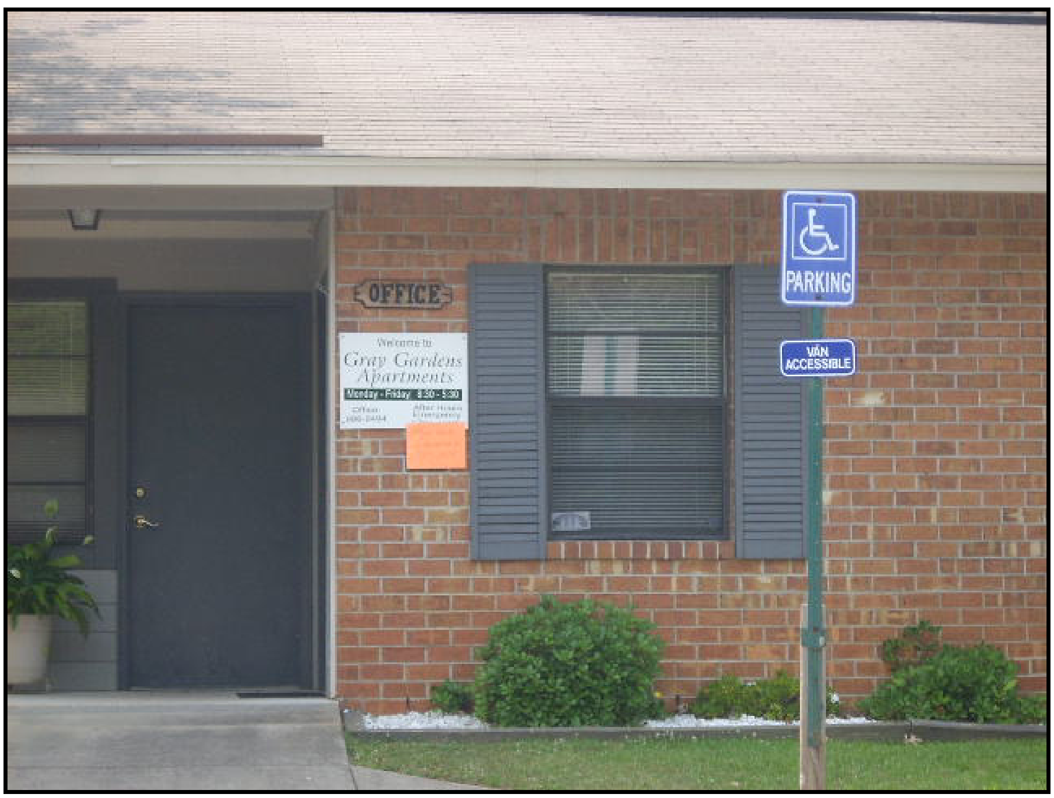
Gray Gardens Apartments is compatible with surrounding land uses, as the predominate land use within one-half mile of the site is residential. Gray Gardens will be located on the northern edge of Gray with numerous community amenities within 1one mile of the subject property including retail, healthcare, and a public library.

Figure 1 Site Photos

Existing residential building.

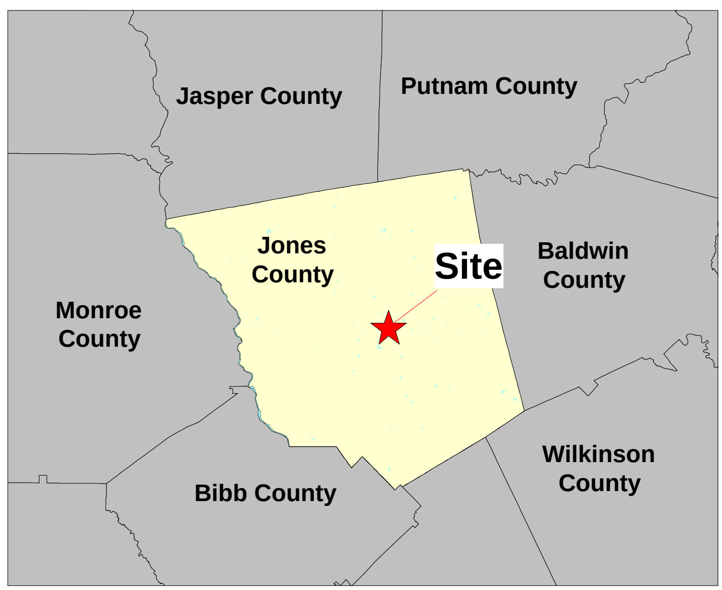
Existing residential building.

View of rear building exteriors.



Existing management office.

Existing property entrance sign.



Map 1
Site Location
Jones County, GA

Map 2 Neighborhood Amenities, Gray Gardens

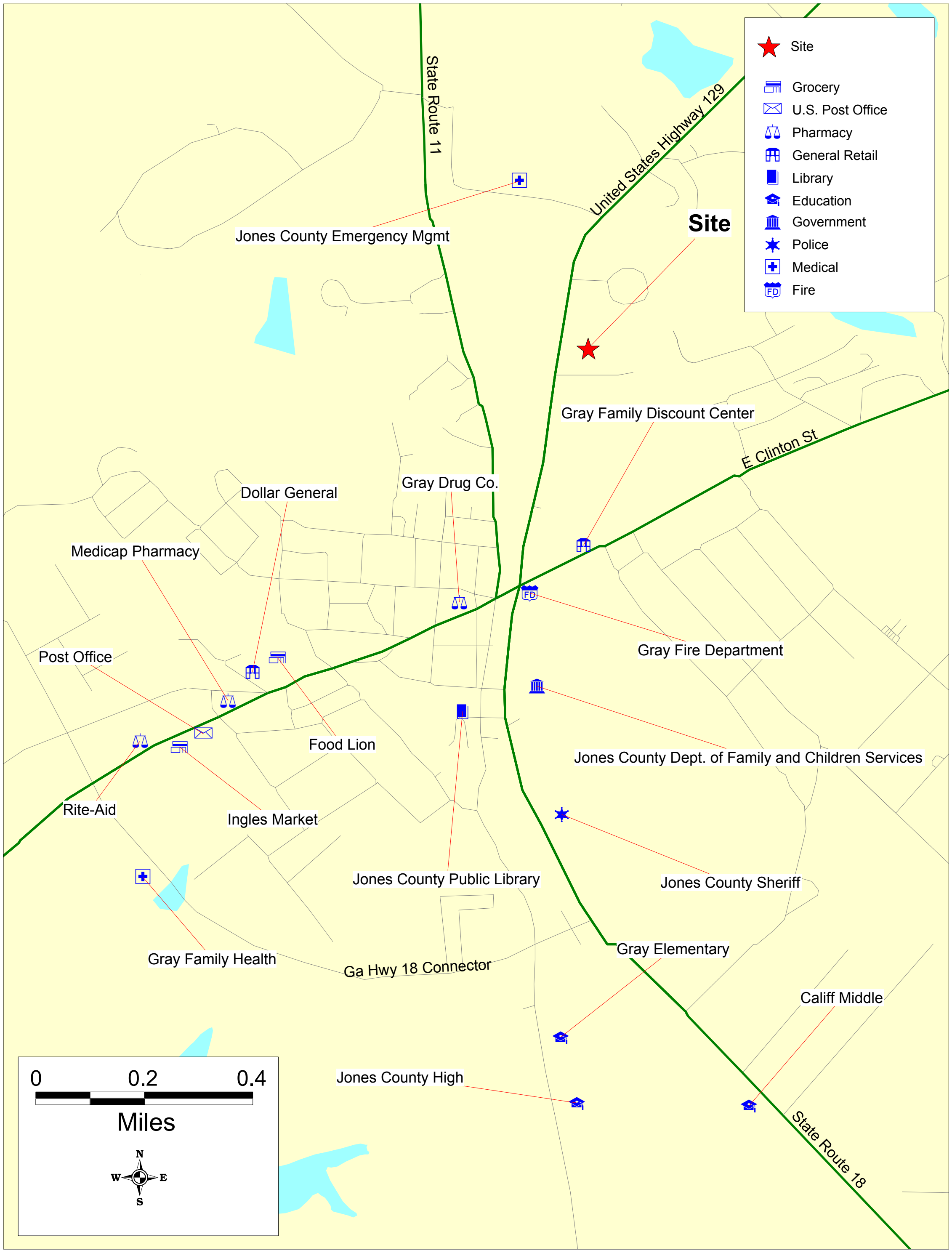


Table 3 Neighborhood Amenities, Gray Gardens

Establishment	Type	Address	Distance
Jones County Emergency Mgmt	Emergency Services	166 Industrial Blvd	0.1 mile
Gray Family Discount Center	General Retail	204 E Clinton St	0.4 mile
Gray Drug Co.	Pharmacy	126 W Clinton St	0.6 mile
Jones County Dept of Family and Children Services	Social Services	141 James St	0.6 mile
Food Lion	Grocery	208 W Clinton St	0.8 mile
Dollar General	General Retail	188 W Clinton St	0.8 mile
Jones County Library	Library	146 Railroad St	0.8 mile
Medicap Pharmacy	Pharmacy	221 W Clinton St	0.9 mile
Jones County Sheriff	Police	123 Holmes Hawkins Dr	0.9 mile
Gray Fire Department	Fire	123 Holmes Hawkins Dr	0.9 mile
Ingles Market	Grocery	261 W Clinton St	1 mile
Rite-Aid	Pharmacy	611 W Clinton St	1.2 miles
Gray Elementary	Public School	273 Railroad St	1.2 miles
Jones County High	Public School	339 Railroad St	1.3 miles
Gray Family Health	Doctor	110 Stone Brooke Dr	1.3 miles
Califf Middle	Public School	324 GA Highway 18 E	1.5 miles
Post Office	Post Office	235 West Clinton Street	1.8 miles

Source: Real Property Research Group, Inc.

The Gray Gardens site is located on the northeastern edge of the more densely developed portion of Gray and Jones County with residential surroundings. The site is bordered by single-family detached home and wooded land. Access to the property will be available from U.S. Highway 129. No impediments to convenient ingress/egress were identified.

C. Shopping

Most of Gray's commercial development is located near downtown along Clinton Street, which is easily assessable from the subject site. Retail establishments located within one mile of the subject site include grocery stores, discount retailers, and a grocery store.

D. Medical

The closest major medical centers include three hospitals in Macon within 12 to 15 miles south of Gray. The closest major medical facility is Macon Northside Hospital.

Gray and Jones County are served by smaller medical clinics and doctor's offices. Gray Family Health Care is the closest facility to the subject property, within 1.3 miles. Gray Family Health is affiliated with the Coliseum Health System, located in Macon and offers a wide range of medical services.

E. Education

The Jones County Public School System consists of six schools with an enrollment of over 4,300 within its Pre-K to 12 system. A seventh school is under construction, and strategic plans are already being developed for additional expansion. The closest public schools to the subject property are Gray Elementary School (1.2 miles), Califf Middle School (1.5 miles), and Jones County High School (1.3 miles).

IV. Socio-Economic and Demographic Content

The primary market area for Gray Gardens Apartments comprises the five census tract located in Jones County. The boundaries of the primary market area and their approximate distance from the subject site are:

North: Interstate 20 (14.9 miles)

East: Lake Oconee (14.7 miles)

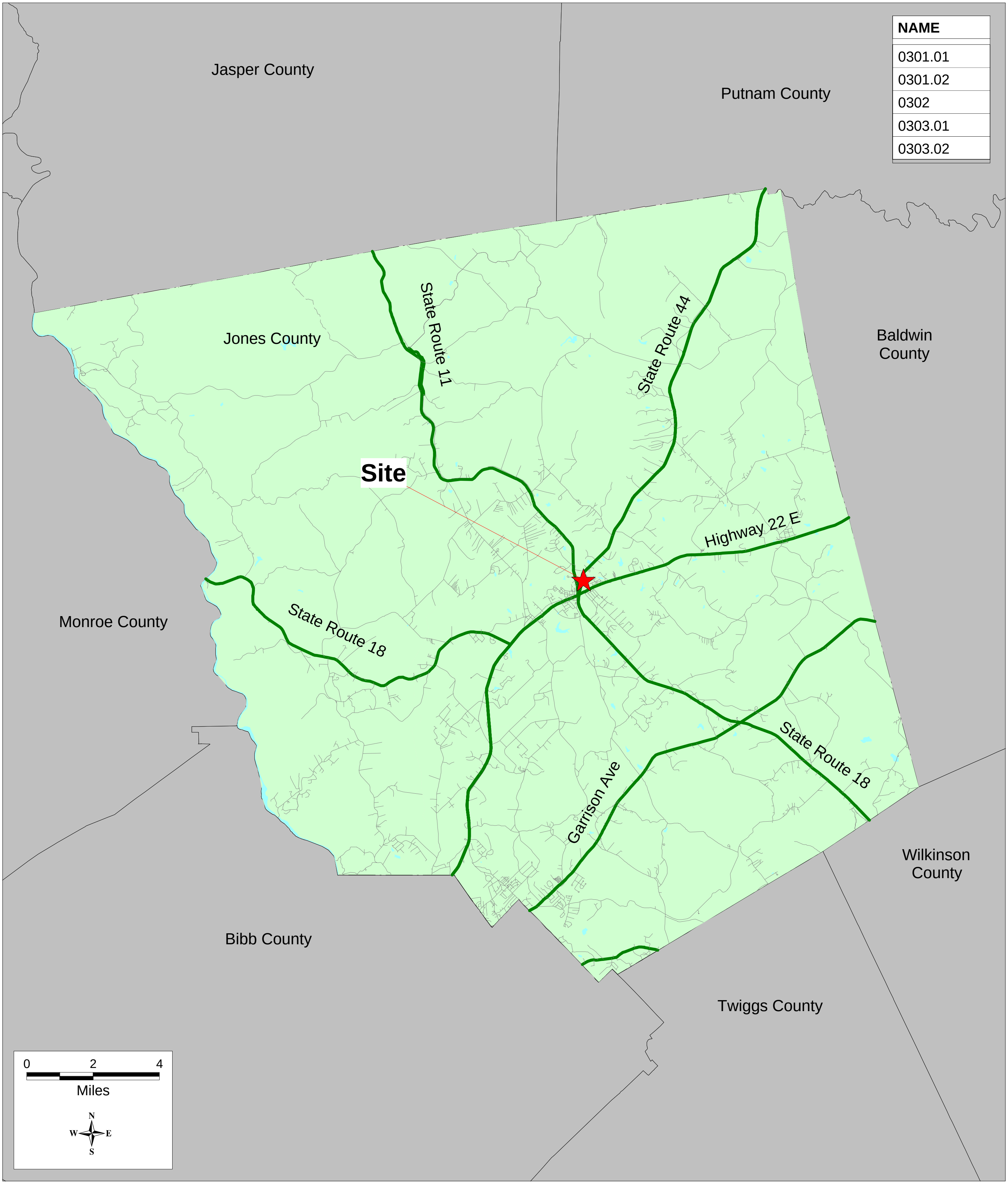
South: Northern Edge of Milledgeville (15.6 miles)

West: Jasper County (7.7 miles)

The subject property is located in Jones County's centermost census tracts and the primary market area consists of this census tract and all bordering tracts. Jones County is a relatively rural county north of Macon. Gray is the county's only municipality. According to property managers of existing rental communities including the subject property, most tenants originate from the local Jones County area. A renovated property in Gray is unlikely to draw tenants from beyond county boundaries. Larger cities in adjacent counties including Macon and Milledgeville have ample rental opportunities.

Demographic data on the sum of the census tracts in the Macon MSA, which includes Bibb County, Crawford County, Jones County, Monroe County, and Twiggs County, is included for comparison purposes. Demand estimates will be shown only for the primary market area.

The primary market area includes year 2000 census tracts 0301.01, 0301.02, 0302, 0303.01, and 0303.02. A map of this market area is shown on page 15.

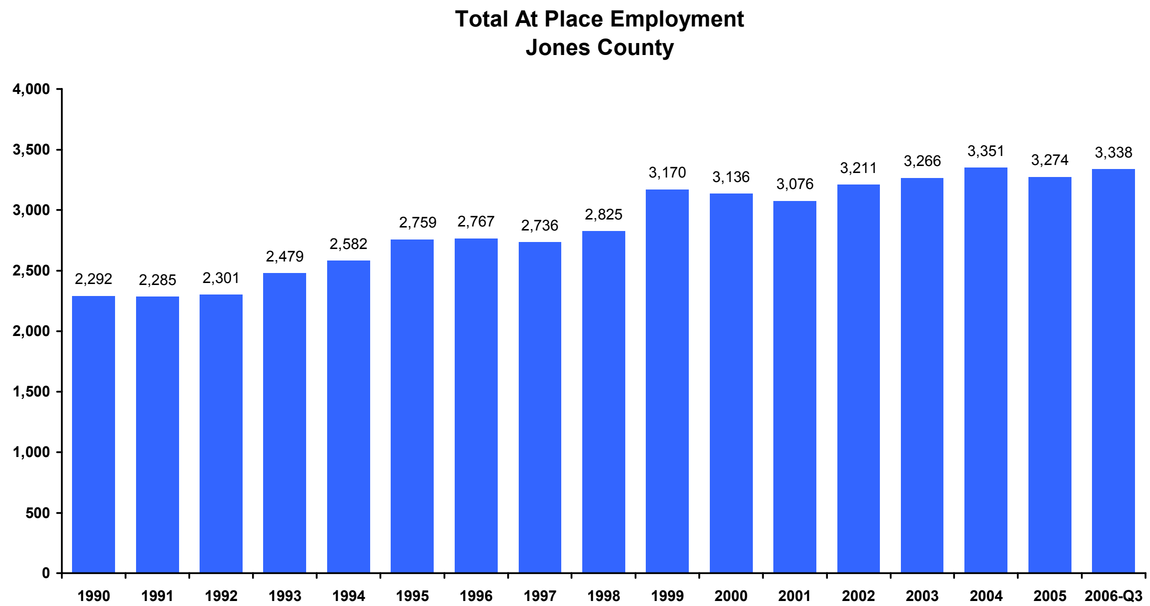


Map 3
Primary Market Area
Jones County, GA

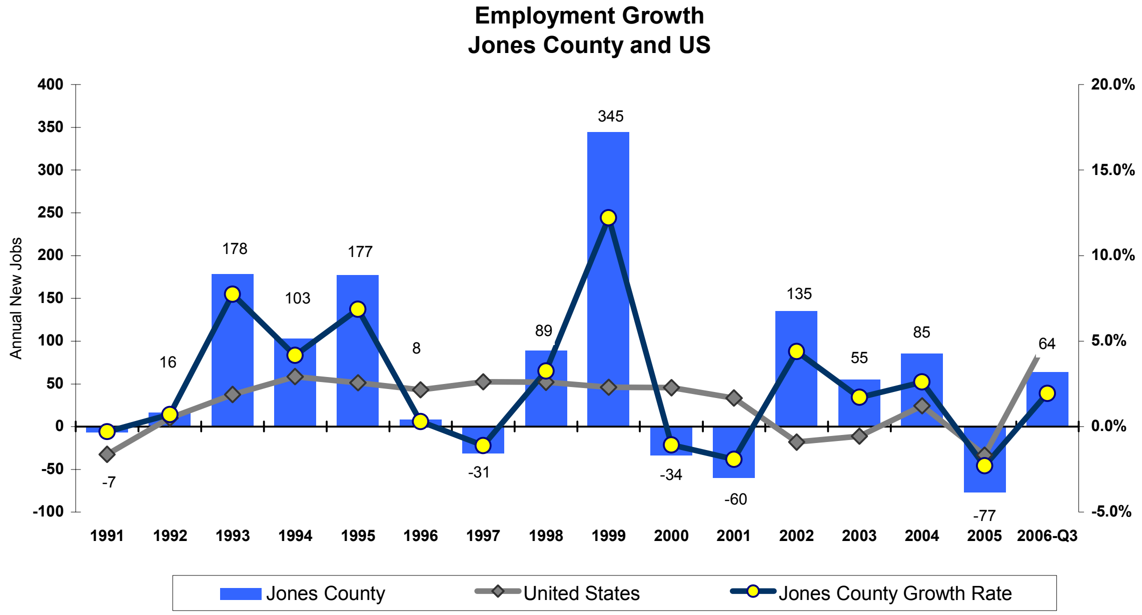
A. Economic Context

Jones County's total employment has fluctuated over the past 17 years, but the overall trend has been growth. Between 1990 and 2005, the number of jobs in Jones County increased 10 times and decreased five times. Overall, at-place employment has increased by 982 or 42.8 percent between 1990 and 2005. An additional increase of 64 jobs or 1.9 percent was reported through the first three quarters of 2006 (Table 4). On a percentage basis, job growth in Jones County has been above national employment growth more time not.

Table 4 At Place Employment, Jones County 1990-2006



Source: U.S. Department of Labor, Bureau of Labor Statistics

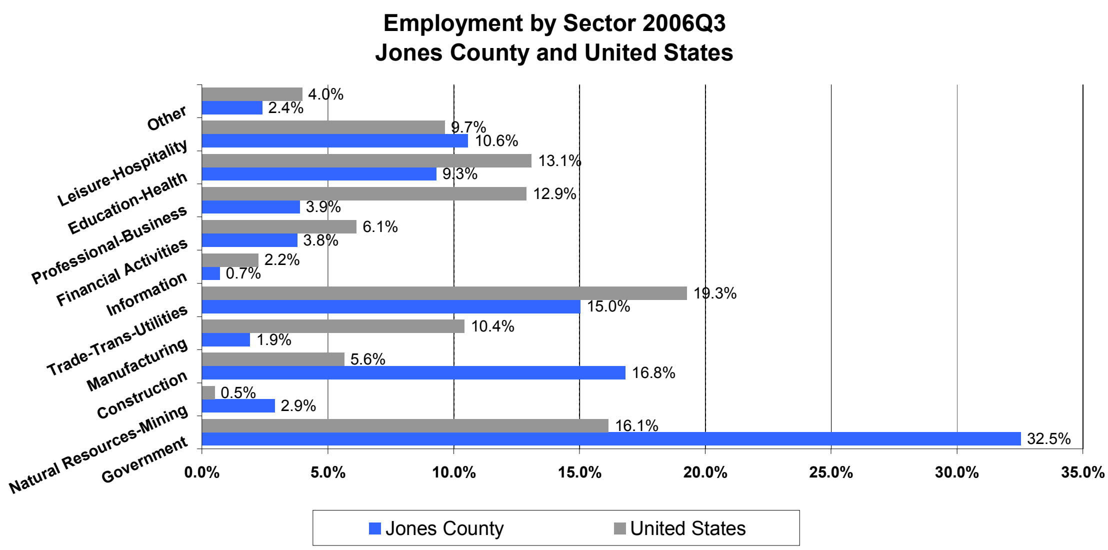


Source: U.S. Department of Labor, Bureau of Labor Statistics

Almost half (49.3 percent) of the jobs in Jones County are associated with the government and construction sectors. These two sectors account for more than twice the number of jobs in Jones County than the national average of 21.7 percent (Table 5). Jones County also has higher percentages of its jobs in leisure-hospitality and natural resources-mining, but these sectors are much smaller in terms of employment percentage. Jones County has a much lower percentage of its job base in the education-health, professional-business, and financial activities sectors, which is common in rural counties.

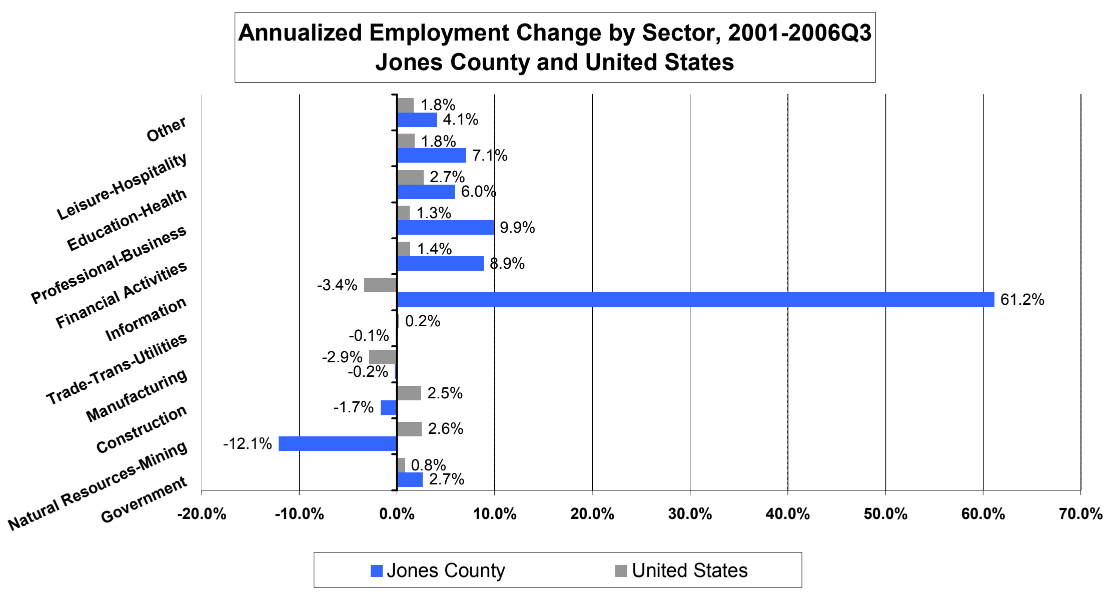
As shown previously in Table 4, total at place employment increased steadily between 2001 and 2006. During this time period, seven of eleven employment sectors experienced an increase. The largest percentage increases were recorded in the smaller sectors such as information (61.2 percent annual increase), financial activities (9.9 percent), and financial activities (8.9 percent). The largest section, government, increased at a more modest rate of 2.7 percent per year (Table 6).

Table 5 Employment by Sector, Jones County 2006



Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 6 Employment by Sector Change, Jones County 2001-2006



Source: U.S. Department of Labor, Bureau of Labor Statistics

Major employers in Jones County are representative of the prominent at-place employment sectors (Table 7), but are dominated by manufacturing entities.

Table 7 Top Employers, Jones County

Rank	NAME	Industry
1	Appling Brothers Co	Manufacturing
2	Healy Point Country Club	Leisure-Hospitality
3	Ingles Markets Inc	Trade-Transportation-Utilities
4	Lynn Haven Nursing Home	Healthcare
5	Tri-County Electric Membership Corp.	Trade-Transportation-Utilities
6	Martin Marietta Aggregates	Manufacturing
7	Gray Concrete Service, Inc.	Manufacturing
8	Sweco/Macon Wire	Manufacturing

Source: Georgia Department of Labor, Georgia Facts.net

Map 4 Major Employers

The labor force in Jones County increased during 14 of 16 years between 1990 and 2006, resulting in a net increase of 3,292 or 30.8 percent. The labor force has increased each year since 1999 including the first quarter 2007 (Table 8).

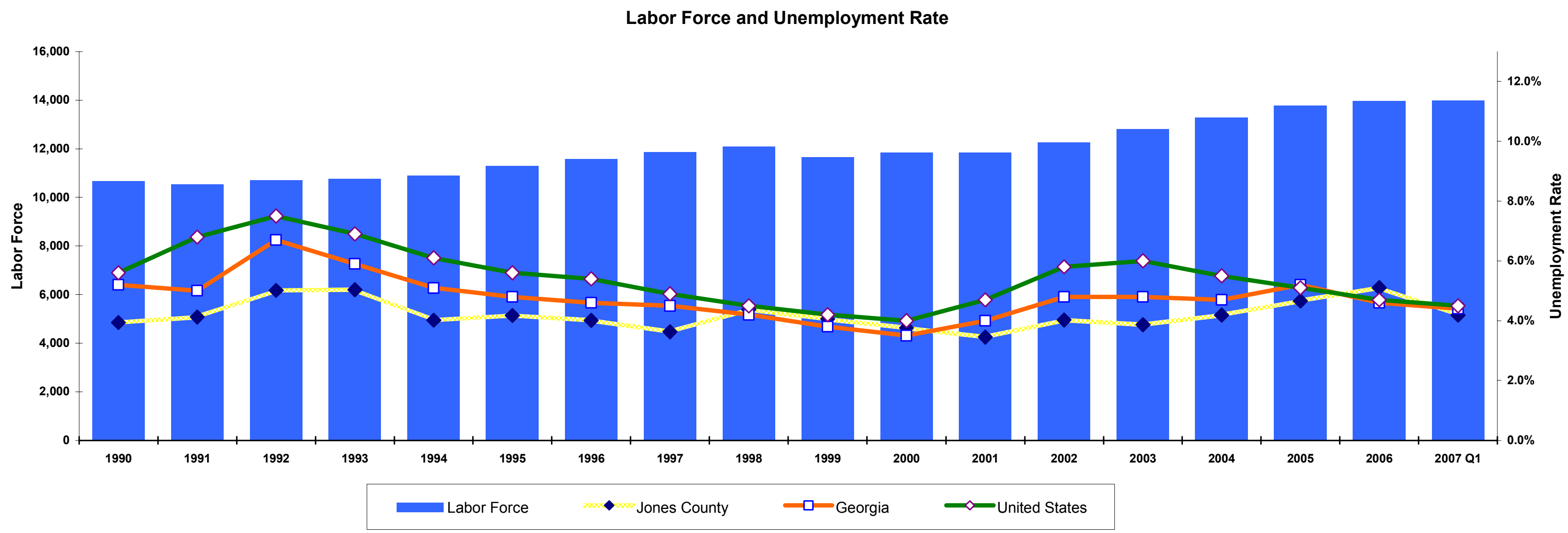
The unemployment rate in Jones County has historically been below than the state figures while following similar trends. Since 2001, Jones County's unemployment rate has been above the state's rate only once in 2006. This elevated rate appears temporary as the county's unemployment rate return to below state levels through the first quarter of 2007(Table 8). The unemployment rate in Jones County is both healthy and stable.

Based on the stable and low unemployment rate coupled with a growing job base, we do not believe local economics will negatively impact the ability of Gray Gardens to lease its units.

Table 8 Labor Force and Unemployment Rates, Jones County

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007 Q1
Labor Force	10,670	10,530	10,706	10,757	10,902	11,288	11,564	11,853	12,086	11,640	11,837	11,842	12,253	12,801	13,271	13,771	13,962	13,987
Employment	10,250	10,096	10,169	10,215	10,464	10,817	11,100	11,423	11,557	11,168	11,392	11,433	11,760	12,306	12,715	13,129	13,249	13,401
Unemployment	420	434	537	542	438	471	464	430	529	472	445	409	493	495	556	642	713	586
Unemployment Rate																		
Jones County	3.9%	4.1%	5.0%	5.0%	4.0%	4.2%	4.0%	3.6%	4.4%	4.1%	3.8%	3.5%	4.0%	3.9%	4.2%	4.7%	5.1%	4.2%
Georgia	5.2%	5.0%	6.7%	5.9%	5.1%	4.8%	4.6%	4.5%	4.2%	3.8%	3.5%	4.0%	4.8%	4.8%	4.7%	5.2%	4.6%	4.4%
United States	5.6%	6.8%	7.5%	6.9%	6.1%	5.6%	5.4%	4.9%	4.5%	4.2%	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.7%	4.5%

Source: U.S. Department of Labor, Bureau of Labor Statistics.



B. Household and Population Trends

The population and household statistics for the primary market area and Macon MSA are based on the 1990 and 2000 Census counts. Estimates and projections were developed by Claritas, Inc., a national data vendor.

The primary market area's population increased by 2,900 or 14.0 percent between 1990 and 2000. By comparison, the Macon MSA's population increased 7.6 percent during the same time period. From 2000 to 2007, the total population in the primary market area is estimated to have increased by 4,122 or 17.4 percent. The Macon MSA's population increased by 8,248 or 3.7 percent during the same seven-year time period.

Household growth exceeded population growth on a percentage basis in both geographies. The PMA gained 1,359 households between the 1990 and 2000 Census counts, while the Macon MSA grew by 8,528, households (Table 9). These changes equate to an 18.6 percent increase in the primary market area and an 11.2 percent increase in the Macon MSA. The annual compounded rates of household growth were 1.7 percent in the PMA and 1.1 percent in the Macon MSA.

Estimates show that the PMA's household count increased by 1,694 or 19.6 percent between 2000 and 2007 compared to an increase of 4,269 households or 5.1 percent in the Macon MSA.

Recent population and household trends are projected to continue through 2012 with the primary market area's household base expected to increase by 235 households or 2.2 percent annually.

The average household size has decreased since 1990 in both the primary market area and the Macon MSA. The market area's households are slightly larger, on average, than the Macon MSA's.

Table 9 Trends in Population and Households, PMA and Tri-County Market Area

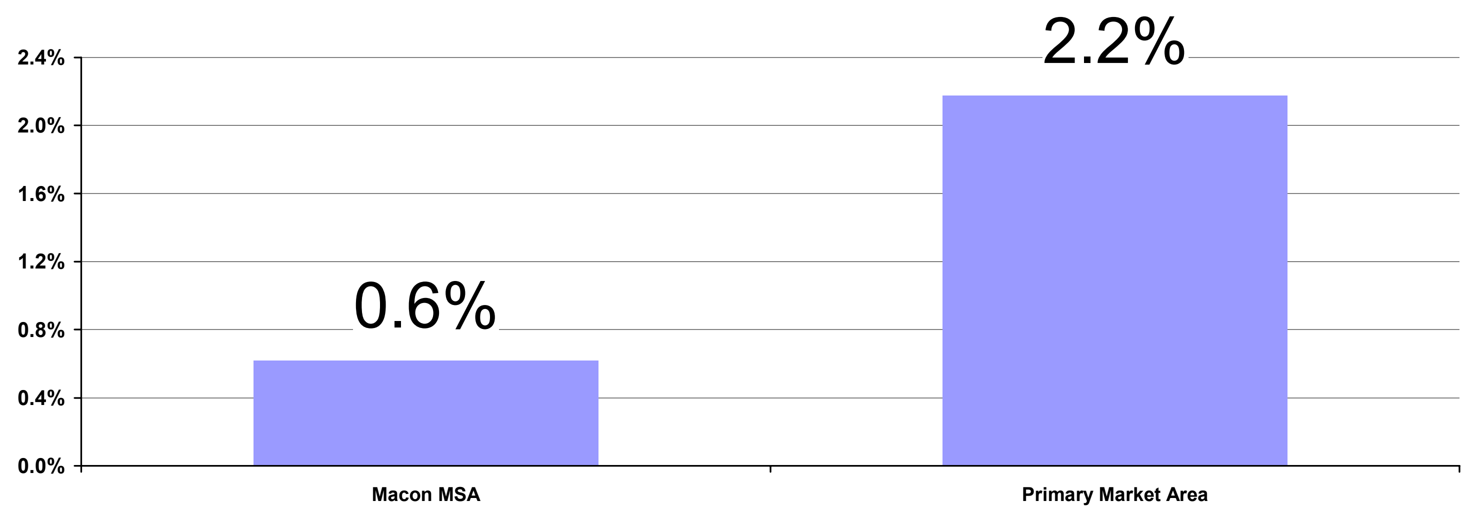
					Change 1990 to 2000				Change 2000 to 2007				Change 2007 to 2012			
Macon MSA					**Total**		**Annual**		**Total**		**Annual**		**Total**		**Annual**	
	1990	**2000**	**2007**	**2012**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Population	206,616	222,368	230,616	236,539	15,752	7.6%	1,575	0.7%	8,248	3.7%	1,178	0.5%	5,922	2.6%	1,184	0.5%
Group Quarters	6,021	6,542	7,096	7,499												
Households	75,810	84,338	88,607	91,389	8,528	11.2%	853	1.1%	4,269	5.1%	610	0.7%	2,782	3.1%	556	0.6%
Average HH Size	2.65	2.56	2.52	2.51												

					Change 1990 to 2000				Change 2000 to 2007				Change 2007 to 2012			
Primary Market Area					**Total**		**Annual**		**Total**		**Annual**		**Total**		**Annual**	
	1990	**2000**	**2007**	**2012**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**	**#**	**%**
Population	20,739	23,639	27,761	30,671	2,900	14.0%	290	1.3%	4,122	17.4%	589	2.3%	2,910	10.5%	582	2.0%
Group Quarters	220	352	472	557												
Households	7,300	8,659	10,353	11,529	1,359	18.6%	136	1.7%	1,694	19.6%	242	2.6%	1,176	11.4%	235	2.2%
Average HH Size	2.81	2.69	2.64	2.61												

Note: Annual change is compounded rate.

Source: 1990 and 2000 - 1990 and 2000 Censuses of Population and Housing; Claritas,Inc. RPRG Estimates

Annual Household Growth Rate 2007-2012



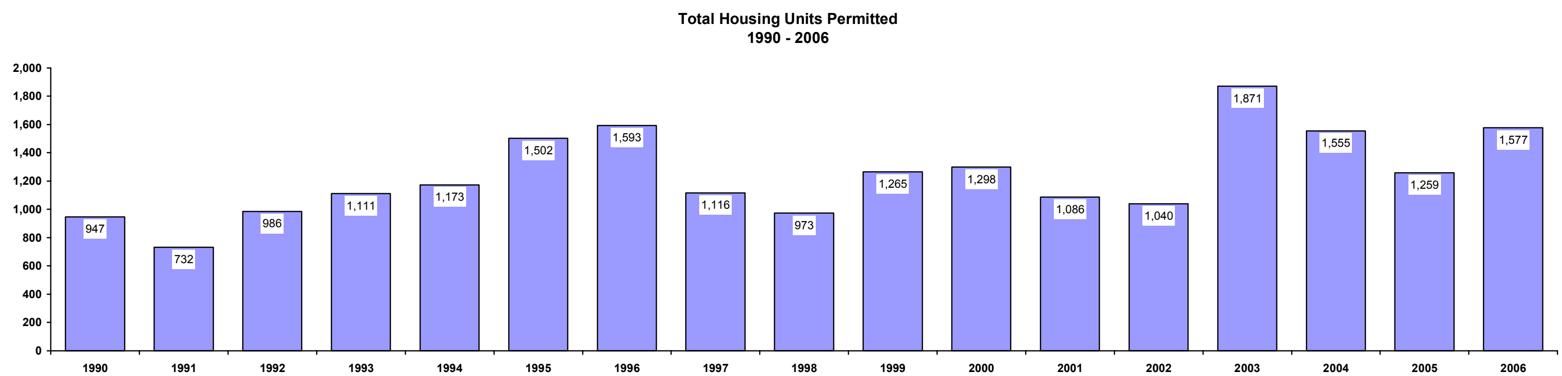
Local building permit activity is another measure of growth in a geographic area. Permit data reported in the U.S. Census Bureau's C-40 Report indicate steady permit activity in the Macon MSA area since 1990. The Macon MSA area has experienced an increase in building permit activity over the past four years. On average, 1,240 residential units were granted permits annually between 1990 and 2006 (Table 10). Annual building permit activity of 1,240 units is well above annual household growth of 853 between 1990 and 2000. Over eighty percent of units permitted were single-family detached homes.

Table 10 Macon MSA Building Permits, 1990 - 2006

Macon MSA

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	1990-2006	Annual
Single Family	695	536	830	1,015	952	1,166	1,203	939	875	1,224	995	916	950	1,188	1,318	1,251	1,571	17,624	1,037
Two Family	52	4	4	0	2	10	4	0	2	0	22	30	16	48	60	0	6	260	15
3 - 4 Family	0	0	0	0	0	3	0	4	0	0	0	0	28	39	93	8	0	175	10
5 or more Family	200	192	152	96	219	323	386	173	96	41	281	140	46	596	84	0	0	3,025	178
Total	947	732	986	1,111	1,173	1,502	1,593	1,116	973	1,265	1,298	1,086	1,040	1,871	1,555	1,259	1,577	21,084	1,240

Source: US Census Bureau, C-40 Building Permit Reports.



D. Demographic Characteristics

Claritas' 2007 population distribution by age indicates that the primary market area is older than the Macon MSA. The primary market area has an equal or higher percentage of its population between the ages of 25 and 74 years. The Macon MSA has a higher percentage under the age of 25 and age 75 and older (Table 11). The median age is 36 in the primary market area and 35 in the Macon MSA.

Over half of the householders in the primary market area (49.1 percent) and nearly half of those in the Macon MSA (48.1) are married (Table 12). Children are present in 37.5 percent of the PMA's households and 33.4 percent of the households in the Macon MSA. Single-parent households account for 9.7 percent of households with children in the primary market area and 12.5 percent in the Macon MSA. The primary market area has smaller percentages of single person households and non-married households without children.

Table 11 2007 Age Distribution

	Macon MSA		Primary Market Area	
	Number	**Percent**	**Number**	**Percent**
Under 10 years	32,845	14.2%	3,501	12.6%
10-17 years	26,480	11.5%	3,132	11.3%
18-24 years	23,405	10.1%	2,651	9.5%
25-34 years	29,944	13.0%	3,777	13.6%
35-44 years	31,877	13.8%	4,211	15.2%
45-54 years	32,877	14.3%	4,155	15.0%
55-64 years	24,683	10.7%	3,076	11.1%
65-74 years	15,296	6.6%	1,913	6.9%
75 and older	13,209	5.7%	1,345	4.8%
TOTAL	230,616	100.0%	27,761	100.0%
Median Age	35		36	

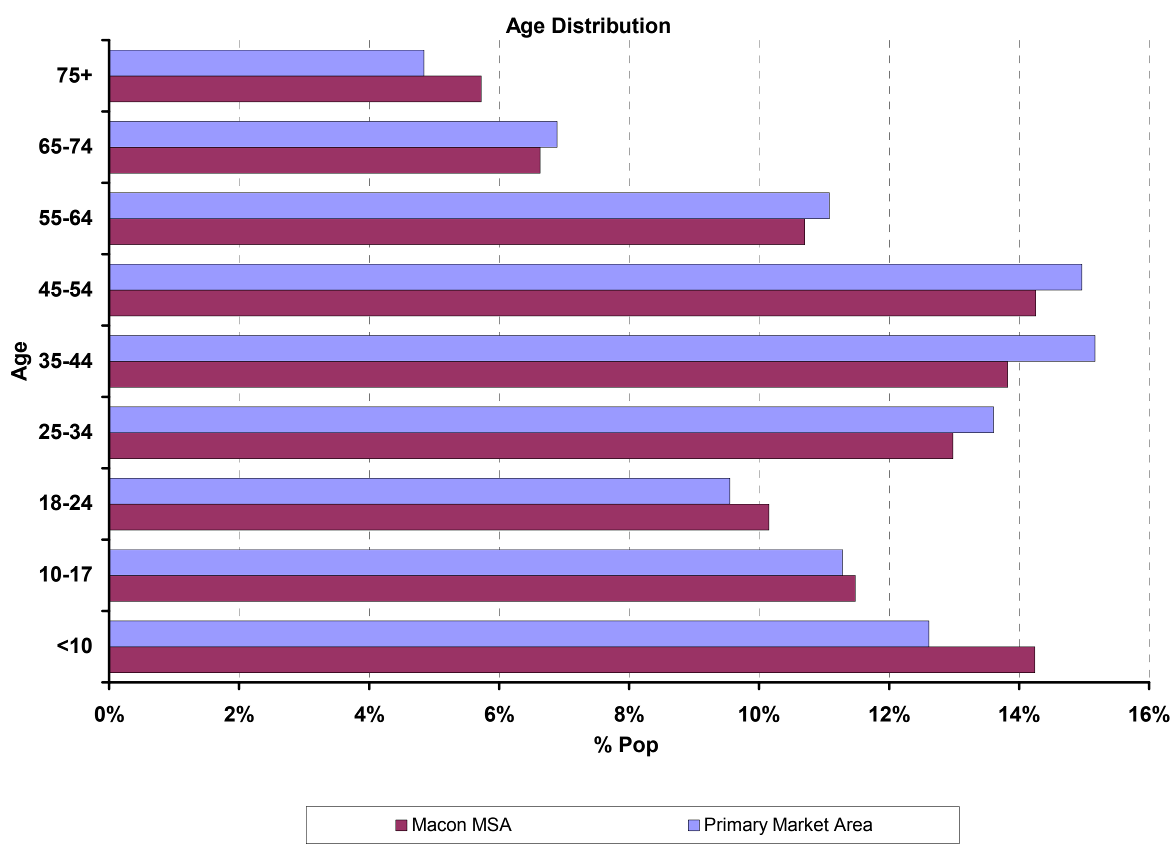
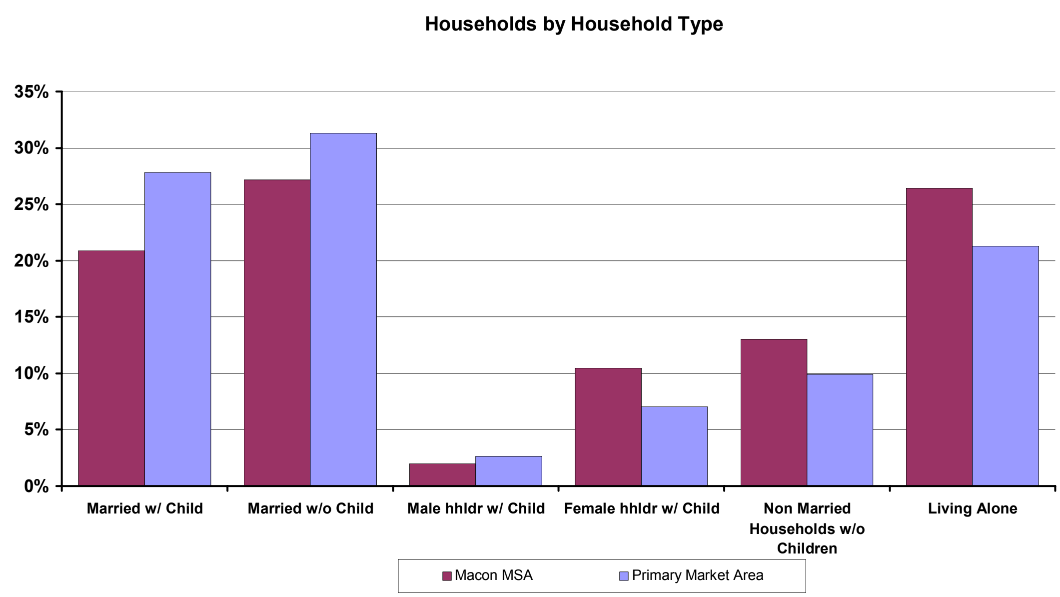


Table 12 2000 Households by Household Type

	Macon MSA		Primary Market Area	
	#	%	#	%
Married w/ Child	18,520	20.9%	2,880	27.8%
Married w/o Child	24,084	27.2%	3,241	31.3%
Male hhldr w/ Child	1,748	2.0%	273	2.6%
Female hhldr w/ Child	9,299	10.5%	729	7.0%
Non Married Households w/o Children	11,553	13.0%	1,025	9.9%
Living Alone	23,403	26.4%	2,205	21.3%
Total	88,607	100.0%	10,353	100.0%

Source: Claritas, Inc.,U.S. Census of Population and Housing, 2000, Estimates, RPRG



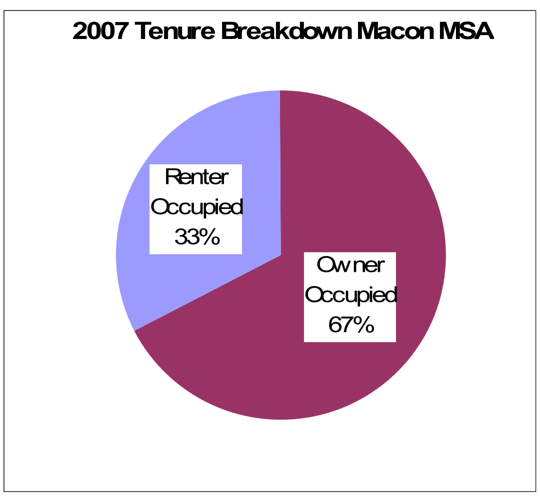
Most households in the primary market area and the Macon MSA own their home. In 2007, 13.9 percent of the householders in the PMA were renters (Table 13). In comparison, 32.9 percent of Macon MSA householders rented. Renter percentages are expected to decrease slightly in both areas over the next five years.

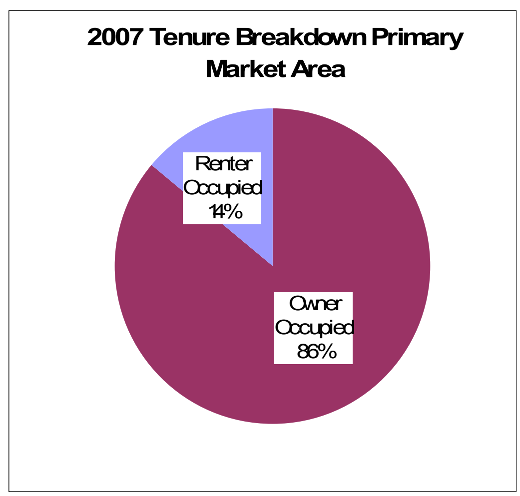
Table 13 Dwelling Units by Occupancy Status

Macon MSA	2000		2007		2012	
Housing Units	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Owner Occupied	55,606	65.9%	59,491	67.1%	62,072	67.9%
Renter Occupied	28,732	34.1%	29,116	32.9%	29,317	32.1%
Total Occupied	**84,338**	**100.0%**	**88,607**	**100.0%**	**91,389**	**100.0%**
Total Vacant	9,716		11,898		12,183	
TOTAL UNITS	**94,054**		**100,505**		**103,572**	

Primary Market Area	2000		2007		2012	
Housing Units	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**
Owner Occupied	7,433	85.8%	8,915	86.1%	9,943	86.2%
Renter Occupied	1,226	14.2%	1,438	13.9%	1,586	13.8%
Total Occupied	**8,659**	**100.0%**	**10,353**	**100.0%**	**11,529**	**100.0%**
Total Vacant	613		716		797	
TOTAL UNITS	**9,272**		**11,069**		**12,326**	

Source: U.S. Census of Population and Housing, 2000, Claritas, Inc..





Among owner householders, the primary market area has a higher percentage of its householders under the age of 45. Among renter households, the primary market area has a higher percentage between 25 and 45 years (Table 14). The Macon MSA has a higher percentage of renter householders under the age of 25 and age 45 and older.

Table 14 2007 Households by Tenure & Age of Householder

Owner Households	Macon MSA		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent
15-24 years	997	1.7%	179	2.0%
25-34 years	6,863	11.4%	1,278	14.3%
35-44 years	11,504	19.2%	1,915	21.4%
45-54 years	14,035	23.4%	2,071	23.2%
55-64 years	11,997	20.0%	1,691	18.9%
65-74 years	8,161	13.6%	1,143	12.8%
75 to 84 years	5,021	8.4%	549	6.1%
85+ years	1,441	2.4%	106	1.2%
Total	60,018	100%	8,932	100%

Renter Households	Macon MSA		Primary Market Area	
Age of HHldr	Number	Percent	Number	Percent
15-24 years	3,925	13.7%	163	11.5%
25-34 years	7,393	25.9%	413	29.1%
35-44 years	5,584	19.5%	313	22.0%
45-54 years	4,768	16.7%	228	16.0%
55-64 years	3,015	10.5%	127	8.9%
65-74 years	1,845	6.5%	92	6.4%
75 to 84 years	1,434	5.0%	70	4.9%
85+ years	624	2.2%	15	1.0%
Total	28,588	100%	1,421	100%

Source: Claritas, Inc, Estimate, Real Property Research Group, Inc.

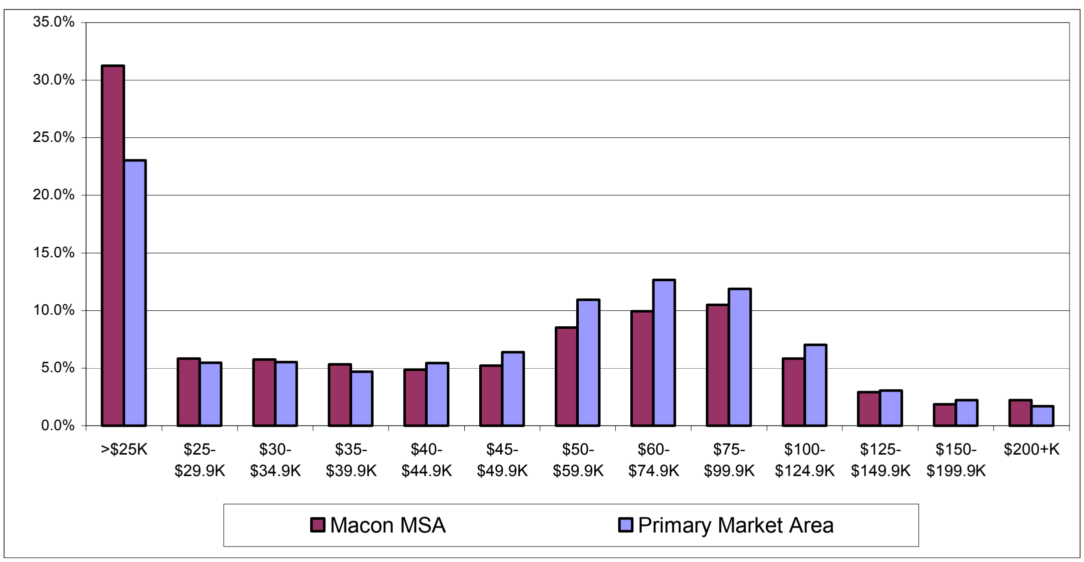
E. Income Characteristics

Based on census data, Claritas estimates that the median household income for all householders in the primary market area in 2007 is $49,587 (Table 15), $7,678 or 18.3 percent above the $41,910 median in the Macon MSA. The primary market area has a higher percentage earning between $40,000 and $199,999.

Table 15 2007 Income Distribution, PMA and Macon MSA

		Macon MSA		**Primary Market Area**	
		Number	*Percent*	*Number*	*Percent*
less than	$25,000	27,686	31.2%	2,386	23.0%
$25,000	$29,999	5,155	5.8%	565	5.5%
$30,000	$34,999	5,086	5.7%	572	5.5%
$35,000	$39,999	4,734	5.3%	485	4.7%
$40,000	$44,999	4,302	4.9%	563	5.4%
$45,000	$49,999	4,635	5.2%	660	6.4%
$50,000	$59,999	7,562	8.5%	1,133	10.9%
$60,000	$74,999	8,812	9.9%	1,310	12.7%
$75,000	$99,999	9,288	10.5%	1,231	11.9%
$100,000	$124,999	5,162	5.8%	726	7.0%
$125,000	$149,999	2,572	2.9%	317	3.1%
$150,000	$199,999	1,652	1.9%	230	2.2%
$200,000	over	1,961	2.2%	175	1.7%
Total		88,607	100.0%	10,353	100.0%
Median Income		**$41,910**		**$49,587**	

Source: Claritas, Inc, Estimates, Real Property Research Group, Inc.



V. Project-Specific Demand Analysis

A. Affordability Analysis

To understand the depth of the rental market for affordable housing in the primary market area, we have conducted an affordability analysis for the proposed units (Table 16). This capture rate reflects the percentage of income-qualified households in the market that the subject property must capture in order to gain full occupancy.

- To calculate the income distribution for 2009, we projected incomes based on Claritas' income distributions for 2007 and 2012, and the relationship of owner/renter incomes by income cohort from the 2000 Census.
- Using a 35 percent rent burden criteria, we determined that the gross one bedroom rent ($534) for the 50 percent one bedroom units would be affordable to households earning a minimum of $18,309, which includes 9,077 householders in the primary market area.
- Based on the 2007 HUD income limits for households at 50 percent of median income, the maximum income allowed for a one bedroom unit in this market would be $22,000. We estimate that 8,696 households within the primary market area have incomes above that maximum.
- Subtracting the 8,696 households with incomes above the maximum income from the 9,077 households that could afford to rent this unit, we compute that 380 households are within the band of being able to afford the proposed rent. The proposed 4 fifty percent one bedroom units would require a capture rate of 1.1 percent of all income qualified households. Among renter households, the capture rate for this floorplan is 4.9 percent.
- Using the same methodology, we determined the band of qualified households for each of the other bedroom types offered in the community.
- Given the income requirements of each unit type and the overlap of income bands, project wide affordability bands were calculated. Looking at all 55 LIHTC units, the project will need to absorb 2.9 percent of the 1,898

households that earn between $18,309 and $35,640 in the primary market area. For renter households, the 55 proposed LIHTC units must capture 13.3 percent of the income qualified renter households in the primary market area.

- These capture rates do not take into Project Based Rental Assistance into account, which will remove the minimum income limit. The affordability analysis with a minimum income limit demonstrates sufficient demand, which will be augmented by the PBRA renters.
- Affordability by floorplan indicates a sufficient number of income qualified households for all floorplans both with and without PBRA.

Table 16 2009 Affordability Analysis for Gray Gardens

50% Units

One Bedroom Units

Base Price	**Minimum**	**Maximum**
Number of Units	4	
Net Rent	$492	
Gross Rent	$534	
% Income Spent for Shelter	35%	
Income Range	$18,309	$22,000
Range of Qualified Hslds	9,077	8,696
# Qualified Households		380
Unit Total HH Capture Rate		**1.1%**
Range of Qualified Renters	1,029	948
# Qualified RenterHouseholds		81
Unit Renter HH Capture Rate		**4.9%**

Two Bedroom Units

Base Price	**Minimum**	**Maximum**
Number of Units	12	
Net Rent	$510	
Gross Rent	$573	
% Income Spent for Shelter	35%	
Income Range	$19,646	$24,750
Range of Qualified Hslds	8,938	8,414
# Qualified Households		524
Unit Total HH Capture Rate		**2.3%**
Range of Qualified Renters	1,000	886
# Qualified RenterHouseholds		114
Unit Renter HH Capture Rate		**10.5%**

Three Bedroom Units

Base Price	**Proposed**	**Maximum**
Number of Units	12	
Net Rent	$551	
Gross Rent	$626	
% Income for Shelter	35%	
Income	$21,463	$29,700
Band of Qualified Hslds	8,752	7,858
# Qualified Households		894
Unit Total HH Capture Rate		**1.3%**
Range of Qualified Renters	960	764
# Qualified RenterHouseholds		196
Unit Renter HH Capture Rate		**6.1%**

60% Units

One Bedroom Units

Base Price	**Minimum**	**Maximum**
Number of Units	4	
Net Rent	$492	
Gross Rent	$534	
% Income Spent for Shelter	35%	
Income Range	$18,309	$26,400
Range of Qualified Hslds	9,077	8,231
# Qualified Households		846
Unit Total HH Capture Rate		**0.5%**
Range of Qualified Renters	1,029	846
# Qualified RenterHouseholds		183
Unit Renter HH Capture Rate		**2.2%**

Two Bedroom Units

Base Price	**Minimum**	**Maximum**
Number of Units	12	
Net Rent	$510	
Gross Rent	$573	
% Income Spent for Shelter	35%	
Income Range	$19,646	$29,700
Range of Qualified Hslds	8,938	7,858
# Qualified Households		1,080
Unit Total HH Capture Rate		**1.1%**
Range of Qualified Renters	1,000	764
# Qualified RenterHouseholds		236
Unit Renter HH Capture Rate		**5.1%**

Three Bedroom Units

Base Price	**Proposed**	**Maximum**
Number of Units	11	
Net Rent	$551	
Gross Rent	$626	
% Income for Shelter	35%	
Income	$21,463	$35,640
Band of Qualified Hslds	8,752	7,179
# Qualified Households		1,573
Unit Capture Rate		**0.7%**
Range of Qualified Renters	960	615
# Qualified RenterHouseholds		345
Unit Renter HH Capture Rate		**3.2%**

Gross Capture Rate by Income Group			Total Households				**10,808**	**Total HH**	Renter Households				**1,495**	**Renter HH**
	Number of Units		Band of Qualified HHs		# Qualified HHs				Band of Qualified HHs		# Qualified HHs			
		Income	$18,309	$29,700					$18,309	$29,700				
50% Units	28	*HHs*	9,077	7,858	1,219	**2.3%**	**Capture Rate**		1,029	764	265	**10.6%**	**Capture Rate**	
		Income	$18,309	$35,640					$18,309	$35,640				
60% Units	27	*HHs*	9,077	7,179	1,898	**1.4%**	**Capture Rate**		1,029	615	413	**6.5%**	**Capture Rate**	
		Income	$18,309	$35,640					$18,309	$35,640				
LIHTC Total	55	*HHs*	9,077	7,179	1,898	**2.9%**	**Capture Rate**		1,029	615	413	**13.3%**	**Capture Rate**	
		Income	$18,309	$35,640					$18,309	$35,640				
Total Units	55	*HHs*	9,077	7,179	1,898	**2.9%**	**Capture Rate**		1,029	615	413	**13.3%**	**Capture Rate**	

Source: 2000 U.S. Census, Estimates, Real Property Research Group, Inc.

B. DCA Demand Calculations

The Georgia Department of Community Affairs' general occupancy demand methodology consists of three components. The first is household growth. This number is the number of income qualified renter households anticipated to move into the market area between 2000 (base year) and 2009 (estimated placed-in-service).

The next component of demand is income qualified renter households living in substandard housing conditions. "Substandard" is defined as having more than 1.01 persons per room and/or lacking complete plumbing facilities. According to US Census data, the percentage of renter occupied households in the primary market area living in "substandard" conditions is 5.5 percent (Table 17).

The third component of demand is cost burdened renters, which is defined as those renter households paying more than 35 percent of household income for housing costs. According to Census data, 24.0 percent of primary market area renter households are categorized as cost burdened (Table 17).

Demand from the primary market area is increased by 15 percent to account for secondary market area demand.

DCA considers units that have been constructed or renovated since 1999 to have an impact on the future demand for new development. For this reason, the comparable units constructed within the past seven years and those planned within the primary market area are subtracted from the estimate of demand. No such units were identified in the primary market area.

The overall capture rates (Table 18) and capture rates by floorplan (Table 19) indicate sufficient demand to support the proposed units. The overall capture rates are 21.0 percent, 13.0 percent, and 26.5 percent for the 50 percent, 60 percent, and all units, respectively.

The capture rates for all demand calculations indicate that there is sufficient demand to support the proposed units at Gray Gardens. Retention of existing residents will reduce the number of units to be leased and thus, the capture rate. Even without significant tenant retention, sufficient demand exists to support the renovated units.

Table 17 Cost Burdened and Substandard Calculation

Rent Cost Burden

Total Households		
Less than 10.0 percent	134	11.5%
10.0 to 14.9 percent	219	18.7%
15.0 to 19.9 percent	109	9.3%
20.0 to 24.9 percent	126	10.8%
25.0 to 29.9 percent	79	6.8%
30.0 to 34.9 percent	44	3.8%
35.0 to 39.9 percent	24	2.1%
40.0 to 49.9 percent	58	5.0%
50.0 percent or more	143	12.2%
Not computed	234	20.0%
Total	1,170	100.0%
> 35% income on rent	**225**	**24.0%**

Substandardness

Total Households	
Owner occupied:	
Complete plumbing facilities:	7,419
1.00 or less occupants per room	7,296
1.01 or more occupants per room	115
Lacking complete plumbing facilities:	8
Overcrowded or lacking plumbing	123
Renter occupied:	
Complete plumbing facilities:	1,221
1.00 or less occupants per room	1,153
1.01 or more occupants per room	53
Lacking complete plumbing facilities:	15
Overcrowded or lacking plumbing	68
Substandard Housing	**191**
% Total Stock Substandard	**2.2%**
% Rental Stock Substandard	**5.5%**

Source: 2000 U.S. Census

Table 18 Overall Demand Estimates and Capture Rates

Income Target	**HH at 50% AMI**	**HH at 60% AMI**	**LIHTC Total**
Minimum Income Limit	$18,309	$18,309	$18,309
Maximum Income Limit	$29,700	$35,640	$35,640
(A) Renter Income Qualification Percentage	17.7%	27.6%	27.6%
Demand from New Renter Households *Calculation (C-B)*F*A*	53	83	83
Plus			
Demand from Substandard Housing *Calculation B*D*F*A*	12	18	18
Plus			
Demand from Rent Overburdened HHs *Calculation: B*E*F*A*	51	80	80
Equals			
Primary Market Area Demand	116	181	181
Plus			
Secondary Market Demand (15%)	17	27	27
Equals			
Total Demand	133	208	208
Less			
Comparable Units	0	0	0
Equals			
Net Demand	**133**	**208**	**208**
Proposed Units	28	27	55
Capture Rate	**21.0%**	**13.0%**	**26.5%**

Demand Calculation Inputs

B.) 2000 HH	8,659
C.) 2009 HH	10,808
D.) Substandard Housing	5.5%
E.) Rent Overburdened	24.0%
F.) Renter Percent	13.9%

Table 19 Demand Estimates and Capture Rates by Floorplan and Income Level

HH at 50% AMI	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Demand - HH Growth	299	299	299
Plus			
Demand - Substandard	66	66	66
Plus			
Demand - Rent Over-Burdened	289	289	289
Plus			
Secondary Demand	98	98	98
Equals			
Total Demand	752	752	752
Times			
Income Qualifiaction	5.4%	7.6%	13.1%
Equals			
Income Qualified Demand	41	57	98
Less			
Comparable Units	0	0	0
Equals			
Net Demand	**41**	**57**	**98**
Proposed Units	4	12	12
Capture Rate	**9.8%**	**20.9%**	**12.2%**

HH at 60% AMI	One Bedroom Units	Two Bedroom Units	Three Bedroom Units
Demand - HH Growth	299	299	299
Plus			
Demand - Substandard	66	66	66
Plus			
Demand - Rent Over-Burdened	289	289	289
Plus			
Secondary Demand	98	98	98
Equals			
Total Demand	752	752	752
Times			
Income Qualifiaction	12.2%	15.8%	23.0%
Equals			
Income Qualified Demand	92	119	173
Less			
Comparable Units	0	0	0
Equals			
Net Demand	**92**	**119**	**173**
Proposed Units	4	12	11
Capture Rate	**4.3%**	**10.1%**	**6.3%**

VI. Supply Analysis

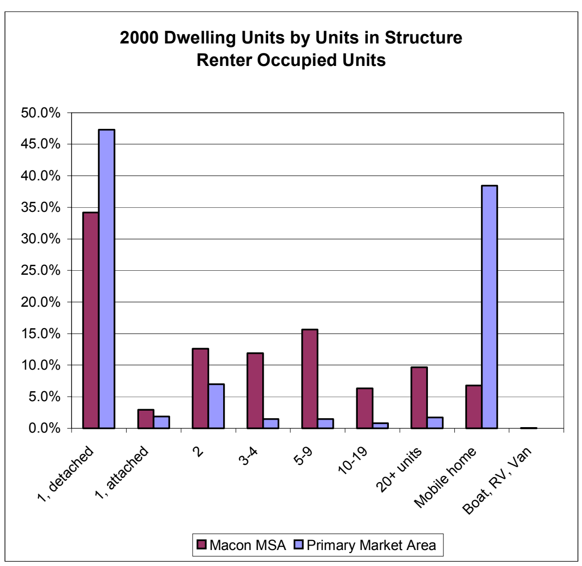
A. Area Housing Stock

Rental housing in the primary market area and the Macon MSA has historically been addressed by low-density structures types, typical of most rural markets (Table 20). Single-family detached homes and mobile homes comprise 85 percent of the rental units in the primary market area compared to 41 percent in the Macon MSA. Structures with five or more units accounted for 4.0 percent of the primary market area's rental units and 31.6 percent of the rental units in the Macon MSA.

Table 20 2000 Renter Households by Number of Units

	Macon MSA		**Primary Market Area**	
Renter Occupied	*Number*	*Percent*	*Number*	*Percent*
1, detached	9,819	34.2%	581	47.3%
1, attached	843	2.9%	23	1.9%
2	3,617	12.6%	86	7.0%
3-4	3,423	11.9%	18	1.5%
5-9	4,490	15.6%	18	1.5%
10-19	1,819	6.3%	10	0.8%
20+ units	2,776	9.7%	21	1.7%
Mobile home	1,941	6.8%	472	38.4%
Boat, RV, Van	16	0.1%	0	0.0%
TOTAL	28,744	100.0%	1,229	100.0%

Source: U.S. Census of Population and Housing, 2000, STF3.



The median year built among owner occupied housing units is 1982 in the primary market area and 1975 in the Macon MSA. The median year built among renter occupied households is 1973 for the primary market area and 1971 for the Macon MSA. According to the 2000 Census, 14.7 of the rental units in the primary market area and 14.0 percent of the rental units in the Macon MSA were built between 1990 and 2000.

Table 21 Year Property Built

	Macon MSA		Primary Market Area	
Owner Occupied	*Number*	*Percent*	*Number*	*Percent*
1999 to 2000	1,538	2.8%	299	4.0%
1995 to 1998	6,005	10.8%	1,034	13.9%
1990 to 1994	5,792	10.4%	917	12.3%
1980 to 1989	10,291	18.5%	1,919	25.8%
1970 to 1979	10,093	18.2%	1,633	22.0%
1960 to 1969	7,656	13.8%	876	11.8%
1950 to 1959	6,871	12.4%	264	3.6%
1940 to 1949	3,283	5.9%	136	1.8%
1939 or earlier	4,065	7.3%	352	4.7%
TOTAL	55,594	100.0%	7,430	100.0%
MEDIAN YEAR BUILT	**1975**		**1982**	

Source: U.S. Census of Population and Housing, 2000, STF3.

	Macon MSA		Primary Market Area	
Renter Occupied	*Number*	*Percent*	*Number*	*Percent*
1999 to 2000	372	1.3%	2	0.2%
1995 to 1998	1,686	5.9%	79	6.4%
1990 to 1994	1,962	6.8%	99	8.1%
1980 to 1989	5,111	17.8%	200	16.3%
1970 to 1979	6,102	21.2%	381	31.0%
1960 to 1969	4,730	16.5%	173	14.1%
1950 to 1959	3,493	12.2%	121	9.8%
1940 to 1949	2,388	8.3%	101	8.2%
1939 or earlier	2,900	10.1%	73	5.9%
TOTAL	28,744	100.0%	1,229	100.0%
MEDIAN YEAR BUILT	**1971**		**1973**	

Source: U.S. Census of Population and Housing, 2000, STF3.

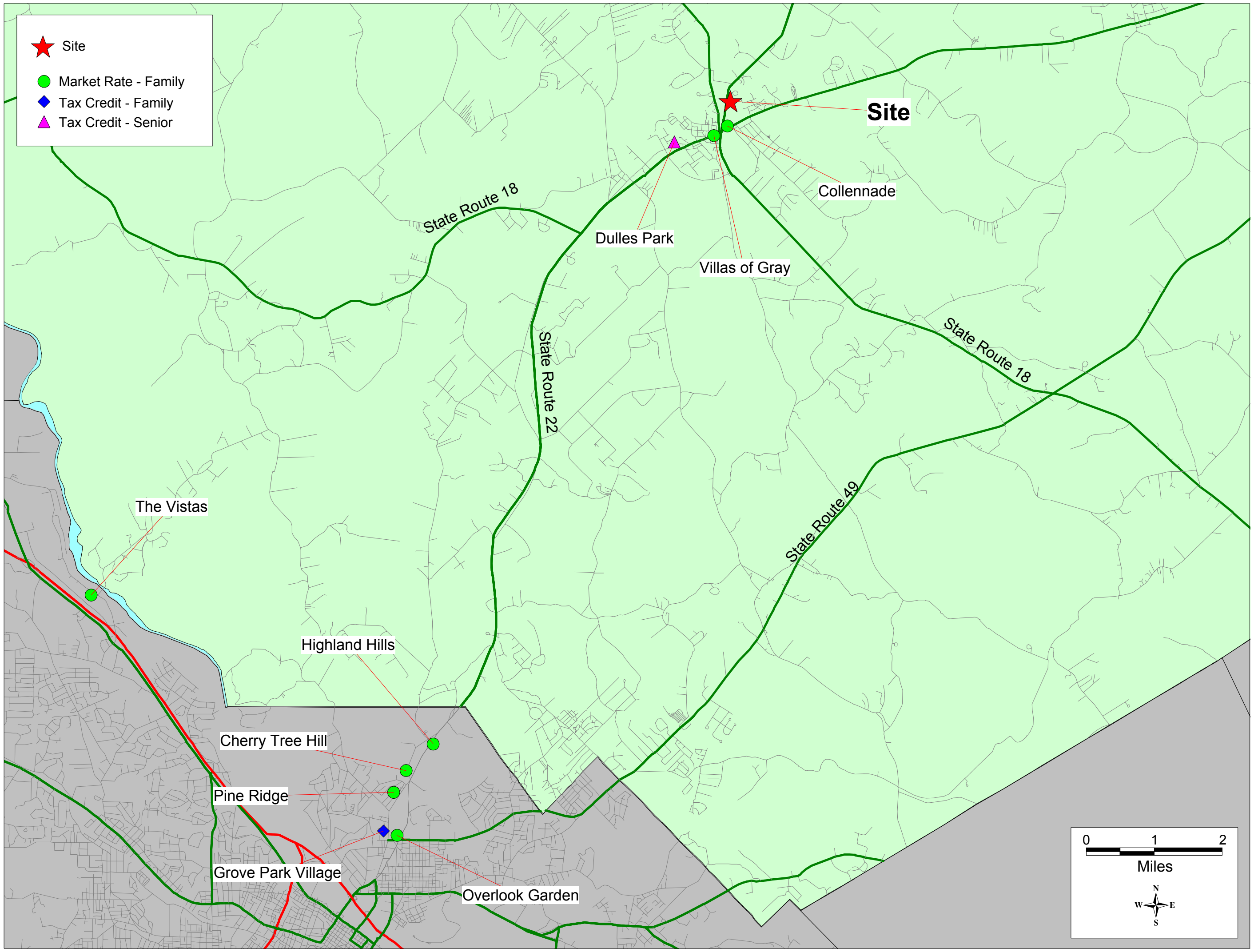
B. Rental Market

As part of this analysis, Real Property Research Group, Inc. surveyed 8 rental communities in the primary market area. Of these 8 communities, only one offers LIHTC units. The remaining communities are market rate without restrictions on rent levels or tenant income. A profile sheet of each community is attached as Appendix 6 Community Photos and Profiles. The location of each community is shown on Map 5.

The 8 surveyed communities combine to offer 930 rental units (Table 22). Half of the eight communities offer garden style units, one offers duplex units, and one offers both garden and townhouse units. The average age of the surveyed communities is 22 years. Only one of the communities has been built since 2000 and none were built in the 1990s.

Among the 930 units offered at these 8 rental communities, 86 were reported vacant for a rate of 9.2 percent. Three communities report vacancy rates of 10 percent for higher and three reported less than 5 percent vacant. The only LIHTC property reported a vacancy rate of 7.5 percent, a result of only 3 vacancies among 40 units. The subject property is a proposed renovation of an existing community with a vacancy rate of 7.2 percent. Well maintained communities in and near the primary market area generally maintain stable occupancy rates. As the subject property is a proposed renovation with PBRA, these higher vacancy rates are not a cause for concern. At a minimum, the property should be able to maintain the current occupancy of 93 percent, DCA's definition of stabilization.

Map 5 Competitive Rental Communities



Map 6 Subsidized Housing Communities

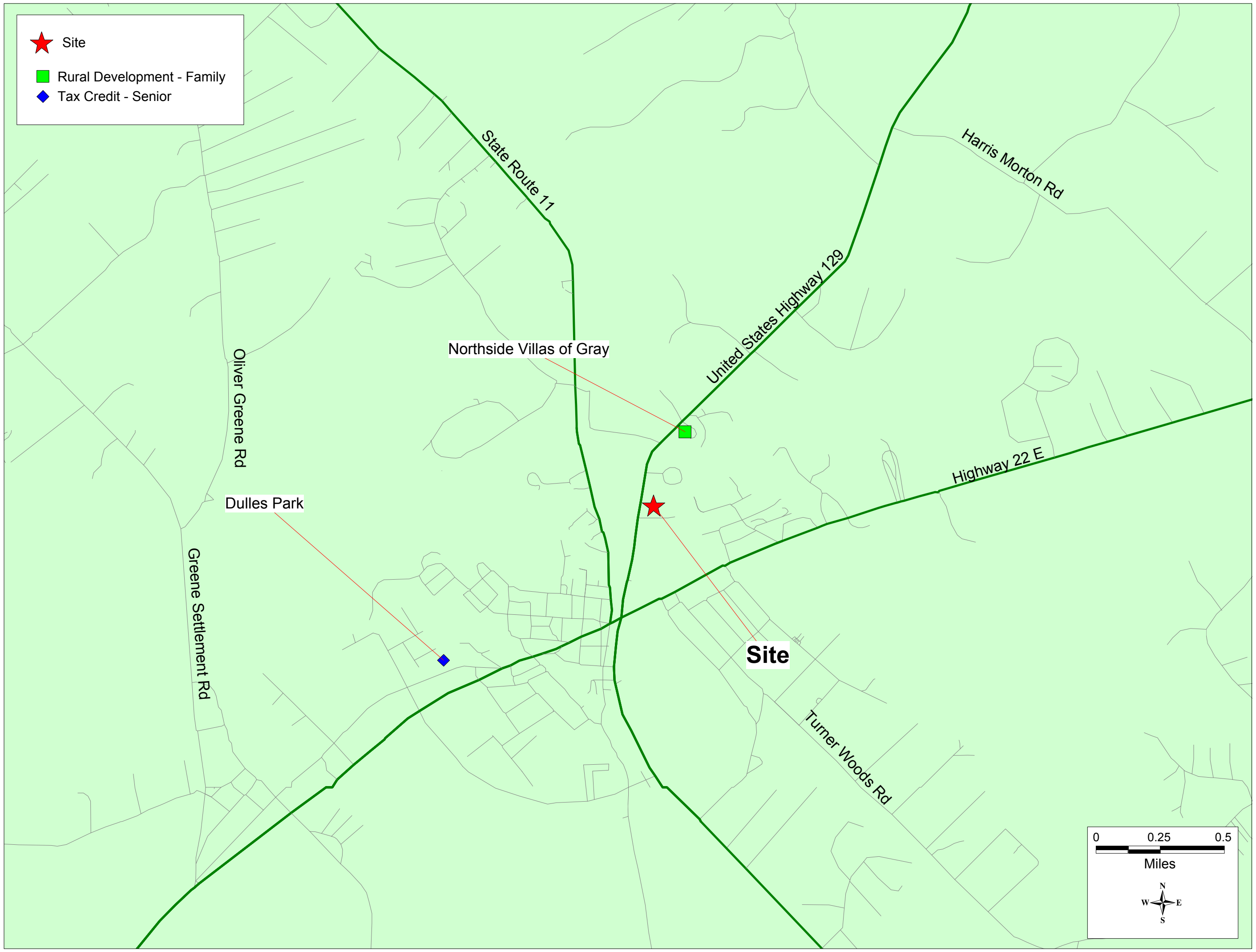


Table 22 Rental Summary, Primary Market Area

Community	Year Built	Structure Type	Total Units	Vacant Units	Vacancy Rate	Average 1BR Rent (1)	Average 2BR Rent (1)	Incentive
Subject Site - 50% AMI		Garden	28			$492	$510	
Subject Site - 60% AMI		Garden	27			$492	$510	
The Vistas	1983	Garden	144	2	1.4%	$655	$705	$300 off first months rent
Villas at Gray		Duplex	16	0	0.0%		650	None
Overlook Gardens	1988	Garden	184	8	4.3%	$499	$574	None
*Grove Park Village	2004	Garden	40	3	7.5%	$425	$545	None
Cherry Tree Hill	1983	Garden	152	17	11.2%	$420	$520	$449 Move-in special for June
Pine Ridge	1965	Garden/TH	83	4	4.8%	$395	$515	None
Highland Hills	1977	Garden/TH	241	45	18.7%	$515	$513	$200 off first months rent
Collonade	1998	Garden/TH	70	7	10.0%	$400	$475	None
Total/Average	**1985**		**930**	**86**	**9.2%**	**$473**	**$562**	

***Tax Credit Communities**
****Deep Subsidy Communities**
(1) Rent is contract rent, and not adjusted for utilities or incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2007

Most of the surveyed communities offer few recreational amenities (Table 23). Among the eight properties surveyed, three offer no amenities, three offer one or two amenities, and three offer three or more amenities. The most common recreational amenities are a swimming pool (five properties), a community room (three properties), a playground (two properties), and a tennis court. Gray Gardens' recreational amenities will include a newly constructed community building with a community room and a children's activity center. Additional amenities will include a new playground, basketball court, and covered picnic area. The proposed amenities will be competitive in the primary market area.

Table 23 Common Area Amenities of Surveyed Communities

Community	Community Amenities						
	Clubhouse	Fitness Room	Pool	Playground	Tennis	Business Center	Gated Entry
Subject Site	☒	☒	☐	☒	☐	☐	☐
Cherry Tree Hill	☐	☐	☒	☐	☒	☐	☐
Collonade	☐	☐	☒	☐	☐	☐	☐
Grove Park Village	☒	☐	☐	☐	☐	☐	☒
Highland Hills	☒	☐	☒	☐	☒	☐	☐
Overlook Gardens	☐	☐	☒	☒	☐	☐	☒
Pine Ridge	☐	☐	☐	☐	☐	☐	☐
The Vistas	☒	☒	☒	☒	☒	☐	☐
Villas at Gray	☐	☐	☐	☐	☐	☐	☐
Walnut Hills	☐	☐	☐	☐	☐	☐	☐

Source: Field Survey, Real Property Research Group, Inc. June, 2007

Five of eight surveyed communities include the cost of water, sewer, and trash removal (Table 24) in the cost of rent. The three remaining communities include the cost of only trash removal. Dishwashers are present at 7 of 8 communities surveyed and garbage disposals are offered at several. None of the surveyed communities offer a microwave oven. The majority of the properties offer patios or balconies in most or all units. Most offer community laundry facilities and 7 of 8 offer washer/dryer connections. Surface parking is offered at all communities.

Among the properties surveyed, two bedroom units are the most common as they are offered at all communities. One and three bedroom units are offered at 7 and 5 properties, respectively. Based on the unit distribution among these surveyed communities, 37 percent are one-bedroom units, 58 percent are two bedroom units, and 5 percent are three bedroom units.

Three of the market rate properties are currently offering rental incentives. The street rents at the existing communities are adjusted to account for these incentives and the cost of utilities. The average net rent among the surveyed communities is $465 for a one bedroom unit, $557 for a two bedroom unit, and $630 for a three bedroom unit. The proposed rents are comparable to these overall averages, but higher for 2 of 3 bedroom types. With the existing project based rental assistance, tenants at the subject property pay only a percentage of their income for rent. Few, if any, of the tenants will pay the full contract rent.

In order to better understand how the proposed rents compare with the rental market, the rents of the most comparable communities are adjusted for a variety of factors including curb appeal, square footage, utilities, and amenities. As this is an estimate of market rent, market rate communities are the most desirable comparables. In lieu of market rate communities, tax credit units are often used as the basis for this estimate. If LIHTC rents are the primary basis for the estimates market rent, the subject property cannot be expected to maintain a “rent advantage” over the estimate market rent. In these cases, the estimate market rent is simply a measurement of appropriateness of rents proposed. We have made a series of adjustments for amenities, utilities, condition, age, and unit size. These calculations are shown in Table 26, Table 27, and Table 28. The assumptions used are shown in Table 30.

The estimated market rents are $476 for a one bedroom unit, $502 for a two bedroom unit, and $633 for a three bedroom unit. The proposed one and two bedroom rents are priced above, but within four percent of the estimate market rent. The proposed three bedroom units are priced 14.2 percent below the estimate of market rent. With project based rental assistance such as the subject property will retain, market advantages are not as important given the reduced tenant contribution toward rent. Furthermore, the lack of new and modern comparable properties makes the estimated market rent less reliable. Older properties require more significant adjustments, which are often difficult to support with market conditions. The proposed rents appear to be reasonable and appropriate, especially given the existence of PBRA and the lack of new rental units in the primary market area.

Table 24 Features of Rental Communities in Primary Market Area

Community	Heat Type	Utilities included in Rent: Heat	Hot Water	Cooking	Electric	Water	Trash	Dishwasher	Microwave	Parking	In Unit Laundry
Subject Property	Electric	☐	☐	☐	☐	☒	☒	Standard	Standard	Free Surface Parking	Hook Ups
Cherry Tree Hill	Electric	☐	☐	☐	☐	☒	☒	Standard		Free Surface Parking	Hook Ups
Collonade	Electric	☐	☐	☐	☐	☒	☒	Standard		Free Surface Parking	Hook Ups
Grove Park Village	Electric	☐	☐	☐	☐	☒	☒	Not Available		Free Surface Parking	Not Available
Highland Hills	Electric	☐	☐	☐	☐	☒	☒	Standard		Free Surface Parking	Hook Ups
Overlook Gardens	Electric	☐	☐	☐	☐	☐	☒	Standard		Free Surface Parking	Hook Ups
Pine Ridge	Electric	☐	☐	☐	☐	☒	☒	Standard		Free Surface Parking	Hook Ups
The Vistas	Electric	☐	☐	☐	☐	☐	☒	Standard		Free Surface Parking	Hook Ups
Villas at Gray	Electric	☐	☐	☐	☐	☐	☒	Standard		Free Surface Parking	Hook Ups

Source: Field Survey, Real Property Research Group, Inc. June, 2007

Table 25 Salient Characteristics, PMA Rental Communities

Community	Type	Total Units	One Bedroom Units Units	Rent (1)	SF	Rent/SF	Two Bedroom Units Units	Rent (1)	SF	Rent/SF	Three Bedroom Units Units	Rent (1)	SF	Rent/SF
Subject Property - 50% AMI	Garden	28	4	$492	631	$0.78	12	$510	839	$0.61	12	$551	1,056	$0.52
Subject Property - 60% AMI	Garden	27	4	$492	631	$0.78	12	$510	839	$0.61	11	$551	1,056	$0.52
The Vistas	Garden	144	56	$635	885	$0.72	88	$686	1,197	$0.57				
Villas at Gray	Duplex	16					16	$656	1,350	$0.49				
Overlook Gardens	Garden	184		$504	733	$0.69		$580	1,033	$0.56		$706	1,255	$0.56
*Grove Park Village - 50% AMI	Garden	40	24	$425	N/A	N/A	12	$545	N/A	N/A	4	$610	N/A	N/A
Pine Ridge	Garden/TH	83		$395	525	$0.75		$515	1,019	$0.51		$585	1,092	$0.54
Cherry Tree Hill	Garden	152		$400	600	$0.67		$500	900	$0.56				
Highland Hills	Garden/TH	241		$499	881	$0.57		$497	1,041	$0.48		$667	1,528	$0.44
Collonade	Garden/TH	70	20	$400	800	$0.50	40	$475	1,000	$0.48	10	$580	1,100	$0.53
	Average / Total	**930**		**$465**	**737**	**$0.63**		**$557**	**1,077**	**$0.52**		**$630**	**1,244**	**$0.51**
	Unit Distribution	**270**	**100**				**156**				**14**			
	% of Total	**29%**	**37%**				**58%**				**5%**			

***Tax Credit Communities**
****Deep Subsidy Communities**
(1) Rent is adjusted, net of utilities and incentives

Source: Field Survey, Real Property Research Group, Inc. June, 2007

Table 26 Estimate of Market Rent, One Bedroom Units

One Bedroom Units									
Subject Property		**Comparable Property #1**		**Comparable Property #2**		**Comparable Property #3**		**Comparable Property #4**	
Gray Gardens		Grove Park Village		Cherry Tree Hill		Overlook Gardens		Highland Hills	
U.S. Highway 129		1505 Clinton Road		2050 Old Clinton Road		1400 Gray Highway		2275 Gray Highway	
Gray - Jones		Macon	Bibb	Macon	Bibb	Macon	Bibb	Macon	Bibb
A. Rents Charged	**Subject**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Street Rent	$494	$425	$0	$420	$0	$488	$0	$515	$0
Utilities Included	W,S,T	W,S,T	$0	W,S,T	$0	T	$18	W,S,T	$0
Rent Concessions	$0	No	$0	Yes	($20)	N0	$0	No	$0
Effective Rent	**$494**	**$425**		**$400**		**$506**		**$515**	
In parts B thru D, adjustments were made only for differences									
B. Design, Location, Condition		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Structure / Stories	Garden	Garden	$0	Garden	$0	Garden	$0	Garden	$0
Year Built / Year Renovated	2009	2004	$4	1983	$20	1988	$16	1977	$24
Condition / Street Appeal	Above Average	Average	$10	Average	$10	Above Average	$0	Average	$10
Location	Average	Average	$0	Average	$0	Average	$0	Average	$0
C. Unit Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Number of Bedrooms	1	1	$0	1	$0	1	$0	1	$0
Number of Bathrooms	1	1	$0	1	$0	1	$0	1	$0
Unit Interior Square Feet	631		$0	600	$8	733	($26)	881	($63)
Balcony / Patio / Porch	Yes	No	$5	No	$5	Yes	$0	Yes	$0
AC Type:	Central	Central	$0	Central	$0	Central	$0	Central	$0
Range / Refrigerator	Yes / Yes	Yes / Yes	$0	Yes / Yes	$0	Yes / Yes	$0	Yes / Yes	$0
Microwave / Dishwasher	Yes / Yes	No / No	$10	No / Yes	$5	No / Yes	$5	No / Yes	$5
Washer / Dryer: In Unit	No	No	$0	No	$0	No	$0	No	$0
Washer / Dryer: Hook-ups	Yes	No	$5	Yes	$0	Yes	$0	Yes	$0
D. Site Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Parking ($ Fee)	Free Surface	Free Surface	$0	Free Surface	$0	Free Surface	$0	Free Surface	$0
Fence/Gate	No	No	$0	No	$0	Yes	($5)	No	$0
Club House / Meeting Rooms	Yes	Yes	$0	No	$5	Yes	$0	Yes	$0
Pool	No	No	$0	Yes	($7)	Yes	($7)	Yes	($7)
Recreation Areas	Yes	No	$5	Yes	$0	Yes	$0	Yes	$0
Computer Room / Bus. Center	Yes	No	$5	No	$5	No	$5	No	$5
E. Adjustments Recap		**Positive**	**Negative**	**Positive**	**Negative**	**Positive**	**Negative**	**Positive**	**Negative**
Total Number of Adjustments		7	0	7	1	3	3	4	2
Sum of Adjustments B to D		$44	$0	$58	($7)	$26	($38)	$44	($70)
F. Total Summary									
Gross Total Adjustment		$44		$65		$64		$114	
Net Total Adjustment		$44		$51		($12)		($26)	
G. Adjusted And Achievable Rents		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
Adjusted Rent		$469		$451		$494		$489	
% of Effective Rent		110.4%		112.8%		97.6%		95.0%	
Estimated Market Rent		$476							
Rent Advantage $		-$18							
Rent Advantage %		-3.8%							

Table 27 Estimate of Market Rent, Two Bedroom Units

Two Bedroom Units									
Subject Property		**Comparable Property #1**		**Comparable Property #2**		**Comparable Property #3**		**Comparable Property #4**	
Gray Gardens		Grove Park Village		Cherry Tree Hill		Overlook Gardens		Highland Hills	
U.S. Highway 129		1505 Clinton Road		2050 Old Clinton Road		1400 Gray Highway		2275 Gray Highway	
Gray - Jones		Macon	Bibb	Macon	Bibb	Macon	Bibb	Macon	Bibb
A. Rents Charged	**Subject**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Street Rent	$510	$475	$0	$520	$0	$549	$0	$450	$0
Utilities Included	W,S,T	W,S,T	$0	W,S,T	$0	T	$18	W,S,T	$0
Rent Concessions	$0	No	$0	Yes	($20)	No	$0	No	$0
Effective Rent	**$510**	**$475**		**$500**		**$567**		**$450**	
In parts B thru D, adjustments were made only for differences									
B. Design, Location, Condition		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Structure / Stories	Garden	Garden	$0	Garden	$0	Garden	$0	Garden	$0
Year Built / Year Renovated	2009	2004	$4	1983	$20	1988	$16	1977	$24
Condition / Street Appeal	Above Average	Average	$10	Average	$10	Above Average	$0	Average	$10
Location	Average	Average	$0	Average	$0	Average	$0	Average	$0
C. Unit Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Number of Bedrooms	2	2	$0	2	$0	2	$0	2	$0
Number of Bathrooms	1	1.5	($15)	1	$0	1	$0	2	($10)
Unit Interior Square Feet	839	1,000	($40)	900	($15)	971	($33)	895	($14)
Balcony / Patio / Porch	Yes	No	$5	No	$5	Yes	$0	Yes	$0
AC: (C)entral / (W)all / (N)one	Central	Central	$0	Central	$0	Central	$0	Central	$0
Range / Refrigerator	Yes / Yes	Yes / Yes	$0	Yes / Yes	$0	Yes / Yes	$0	Yes / Yes	$0
Microwave / Dishwasher	Yes / Yes	No / No	$10	No / Yes	$5	No / Yes	$5	No / Yes	$5
Washer / Dryer: In Unit	No	No	$0	No	$0	No	$0	No	$0
Washer / Dryer: Hook-ups	Yes	No	$5	Yes	$0	Yes	$0	Yes	$0
D. Site Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**
Parking ($ Fee)		Free Surface	$0	Free Surface	$0		$0		$0
Fence/Gate	No	No	$0	No	$0	Yes	($5)	No	$0
Club House / Meeting Rooms	Yes	No	$5	No	$5	Yes	$0	Yes	$0
Pool	No	No	$0	Yes	($7)	Yes	($7)	Yes	($7)
Recreation Areas	Yes	No	$5	Yes	$0	Yes	$0	Yes	$0
Computer Room / Bus. Center	Yes	No	$5	No	$5	No	$5	No	$5
E. Adjustments Recap		**Positive**	**Negative**	**Positive**	**Negative**	**Positive**	**Negative**	**Positive**	**Negative**
Total Number of Adjustments		8	2	6	2	3	3	4	3
Sum of Adjustments B to D		$49	($55)	$50	($22)	$26	($45)	$44	($31)
F. Total Summary									
Gross Total Adjustment		$104		$72		$71		$75	
Net Total Adjustment		($6)		$28		($19)		$13	
G. Adjusted And Achievable Rents		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**	
Adjusted Rent		$469		$528		$548		$463	
% of Effective Rent		98.7%		105.6%		96.6%		102.9%	
Estimated Market Rent		$502							
Rent Advantage $		-$8							
Rent Advantage %		-1.6%							

Table 28 Estimate of Market Rent, Three Bedroom Units

Three Bedroom Units								
Subject Property		**Comparable Property #1**		**Comparable Property #2**		**Comparable Property #3**		
Gray Gardens U.S. Highway 129 Gray - Jones		Grove Park Village 1505 Clinton Road		Overlook Gardens 1400 Gray Highway		Highland Hills 2275 Gray Highway		
		Macon	Bibb	Macon	Bibb	Macon	Bibb	
A. Rents Charged	**Subject**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	
Street Rent	$551	$580	$0	$699	$0	$650	$0	
Utilities Included	W,S,T	W,S,T	$0	T	$19	W,S,T	$0	
Rent Concessions	$0	No	$0	No	$0	No	$0	
Effective Rent	**$551**	**$580**		**$718**		**$650**		
In parts B thru D, adjustments were made only for differences								
B. Design, Location, Condition		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	
Structure / Stories	Garden	Garden	$0	Garden	$0	Garden	$0	
Year Built / Year Renovated	2009	2004	$4	1988	$16	1977	$24	
Condition / Street Appeal	Above Average	Average	$10	Above Average	$0	Average	$10	
Location	Average	Average	$0	Average	$0	Average	$0	
C. Unit Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	
Number of Bedrooms	3	3	$0	3	$0	3	$0	
Number of Bathrooms	2	1.5	$15	2	$0	2	$0	
Unit Interior Square Feet	1,056	1,100	($11)	1,225	($42)	1,257	($50)	
Balcony / Patio / Porch	Yes	No	$5	Yes	$0	Yes	$0	
AC: (C)entral / (W)all / (N)one	Central	Central	$0	Central	$0	Central	$0	
Range / Refrigerator	Yes / Yes	Yes / Yes	$0	Yes / Yes	$0	Yes / Yes	$0	
Microwave / Dishwasher	Yes / Yes	No / No	$10	No / Yes	$5	No / Yes	$5	
Washer / Dryer: In Unit	No	No	$0	No	$0	No	$0	
Washer / Dryer: Hook-ups	Yes	No	$5	Yes	$0	Yes	$0	
D. Site Equipment / Amenities		**Data**	**$ Adj.**	**Data**	**$ Adj.**	**Data**	**$ Adj.**	
Parking ($ Fee)	Free Surface	Free Surface	$0	Free Surface	$0	Free Surface	$0	
Fence/Gate	No	No	$0	Yes	($5)	No	$0	
Club House / Meeting Rooms	Yes	No	$5	Yes	$0	Yes	$0	
Pool	No	No	$0	Yes	($7)	Yes	($7)	
Recreation Areas	Yes	No	$5	Yes	$0	Yes	$0	
Computer Room / Bus. Center	Yes	No	$5	No	$5	No	$5	
E. Adjustments Recap		**Positive**	**Negative**	**Positive**	**Negative**	**Positive**	**Negative**	
Total Number of Adjustments		9	1	3	3	4	2	
Sum of Adjustments B to D		$64	($11)	$26	($54)	$44	($57)	
F. Total Summary								
Gross Total Adjustment		$75		$80		$101		
Net Total Adjustment		$53		($28)		($13)		
G. Adjusted And Achievable Rents		**Adj. Rent**		**Adj. Rent**		**Adj. Rent**		
Adjusted Rent		$633		$690		$637		
% of Effective Rent		109.1%		96.1%		98.0%		
Estimated Market Rent		$643						
Rent Advantage $		$92						
Rent Advantage %		14.2%						

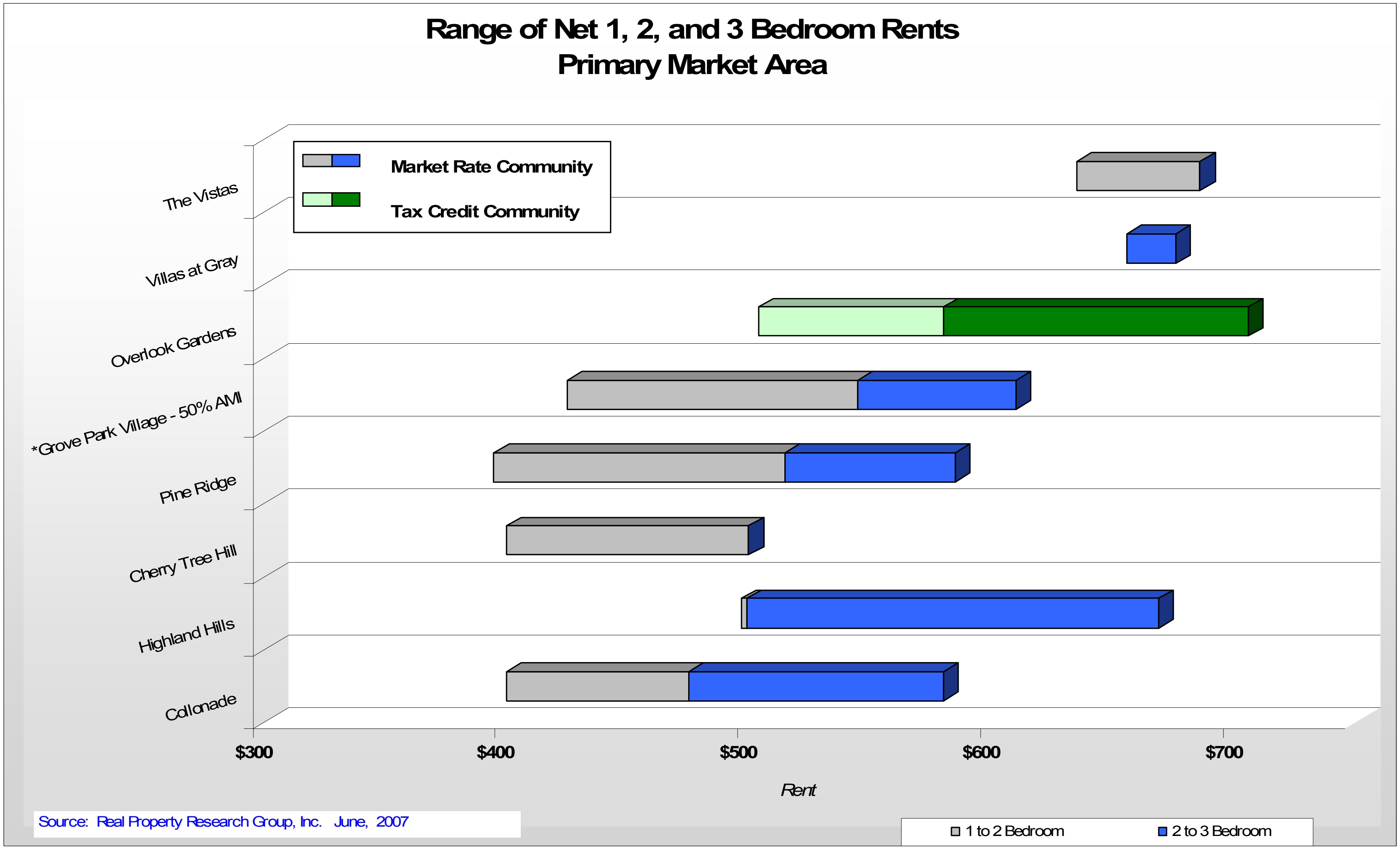
Table 29 Market Advantage Summary

Market Advantage Summary				
	50% Units		60% Units	
Type	$	%	#	%
One Bedroom	-$18	-3.8%	-$18	-3.8%
Two Bedroom	-$8	-1.6%	-$8	-1.6%
Three Bedroom	$92	14.2%	$92	14.2%

Table 30 Market Rent Adjustment Key

Rent Adjustments Summary	
B. Design, Location, Condition	
Structure / Stories	
Year Built / Year Renovated	$0.75
Condition / Street Appeal	$10.00
Location	$10.00
C. Unit Equipment / Amenities	
Number of Bedrooms	$25.00
Number of Bathrooms	$30.00
Unit Interior Square Feet	$0.25
Balcony / Patio / Porch	$5.00
AC Type:	$5.00
Range / Refrigerator	$25.00
Microwave / Dishwasher	$5.00
Washer / Dryer: In Unit	$25.00
Washer / Dryer: Hook-ups	$5.00
D. Site Equipment / Amenities	
Parking ($ Fee)	
Fence/Gate	$5.00
Club House / Meeting Rooms	$5.00
Pool	$7.00
Recreation Areas	$5.00
Computer Room / Bus. Center	$5.00

Figure 2 Range of Net Rents



As the figure on the preceding page illustrates, the primary market area's existing rental stock offers units between $400 and $700. The only existing LIHTC community, Overlook Gardens, has rents in the upper half of the range of net rent. This LIHTC community and the two market rate communities priced above it constitute the top of the market area' rental market.

C. Proposed Developments

According to the Jones County Planning Department, no new affordable rental communities are planned in the primary market area. DCA has not allocated Low Income Housing Tax Credits to any applicants in Jones County since 2004.

D. Interviews

Information gathered from interviews is used through a market study including the determination of market area, pipeline, location analysis, and need for additional rental housing. Individuals interviewed during the preparation of this market study include property managers, Tim Pitrowski with the Jones County Planning and Zoning Department, and Madge Miller with the Jones County Chamber of Commerce.

VI. Conclusions and Recommendations

A. Findings

Based on this review of economic and demographic characteristics of the primary market area and Macon MSA and competitive housing trends, we arrive at the following findings:

The subject property is a suitable location for rental housing

- Gray Gardens Apartments is located northeast of downtown Gray on the edge of the more established areas of town.
- The site is located within one mile of many community amenities, which are easily accessible.
- The site is compatible with surrounding land uses, which are primarily residential in nature.
- The subject site is comparable to most of the existing rental communities in the primary market area.

Jones County has a stable and growing economy.

- Between 1990 and 2005, the number of jobs in Jones County increased 10 times and decreased five times. Overall, at-place employment has increased by 982 or 42.8 percent between 1990 and 2005.
- An additional increase of 64 jobs or 1.9 percent was reported through the first three quarters of 2006.
- Almost half (49.3 percent) of the jobs in Jones County are associated with the government and construction sectors. These two sectors account for more than twice the number of jobs in Jones County than the national average of 21.7 percent.
- The unemployment rate in Jones County has historically been below than the state figures while following similar trends. Since 2001, Jones County's unemployment rate has been above the state's rate once. The current unemployment rate (2007 Q1) is a very healthy 4.2 percent.

The primary market area and Macon MSA experienced moderate growth during the 1990s, trends likely to continue through 2012.

- The primary market area's population increased by 2,900 or 14.0 percent between 1990 and 2000. By comparison, the Macon MSA's population increased 7.6 percent during the same time period. From 2000 to 2007, the total population in the primary market area is estimated to have increased by 4,122 or 17.4 percent. The Macon MSA's population increased by 8,248 or 3.7 percent during the same seven-year time period.
- Household growth exceeded population growth on a percentage basis in both geographies. The PMA gained 1,359 households between the 1990 and 2000 Census counts, while the Macon MSA grew by 8,528, households. These changes equate to an 18.6 percent increase in the primary market area and an 11.2 percent increase in the Macon MSA. The annual compounded rates of household growth were 1.7 percent in the PMA and 1.1 percent in the Macon MSA.
- Estimates show that the PMA's household count increased by 1,694 or 19.6 percent between 2000 and 2007 compared to an increase of 4,269 households or 5.1 percent in the Macon MSA.

The composition of the primary market area's population and householders is similar to that of the Macon MSA. The primary market area is slightly older and more affluent than the Macon MSA.

- The primary market area has an equal or higher percentage of its population between the ages of 25 and 74 years. The Macon MSA has a higher percentage under the age of 25 and age 75 and older.
- Over half of the householders in the primary market area (49.1 percent) and nearly half of those in the Macon MSA (48.1) are married (Table 12). Children are present in 37.5 percent of the PMA's households and 33.4 percent of the households in the Macon MSA.
- Most households in the primary market area and the Macon MSA own their home. In 2007, 13.9 percent of the householders in the PMA were renters (Table 13). In

comparison, 32.9 percent of Macon MSA householders rented. Renter percentages are expected to decrease slightly in both areas over the next five years.

- Based on census data, Claritas estimates that the median household income for all householders in the primary market area in 2007 is $49,587, $7,678 or 18.3 percent above the $41,910 median in the Macon MSA.

Limited multi-family rental communities exist in the primary market area. Much of the rental stock is contained within individually owned single-family detached homes and mobile homes, which are not comparable with the subject property.

- Single-family detached homes and mobile homes comprise 85 percent of the rental units in the primary market area compared to 41 percent in the Macon MSA. Structures with five or more units accounted for 4.0 percent of the primary market area's rental units and 31.6 percent of the rental units in the Macon MSA.

- The 8 surveyed communities combine to offer 930 rental units. Half of the eight communities offer garden style units, one offers duplex units, and one offers both garden and townhouse units. The average age of the surveyed communities is 22 years. Only one of the communities has been built since 2000 and none were built in the 1990s.

- Among the 930 units offered at these 8 rental communities, 86 were reported vacant for a rate of 9.2 percent. Three communities report vacancy rates of 10 percent or higher and three reported less than 5 percent vacant. The only LIHTC property reported a vacancy rate of 7.5 percent, a result of only 3 vacancies among 40 units. The subject property is a proposed renovation of an existing community with a vacancy rate of 7.2 percent.

- Included amenities are modest in the primary market area. The proposed community and unit amenities at Gray Gardens will be comparable and competitive in the primary market area. These amenities also represent an upgrade over those currently offered at the subject property.

- The estimated market rents for the proposed units at Gray Gardens are $476 for a one bedroom unit, $502 for a two bedroom unit, and $633 for a three bedroom unit.

- The proposed one and two bedroom units are priced comparably to the estimated market rent, but approximately three percent higher. The proposed three bedroom rents are priced 14 percent below the estimated market rent.
- Given the lack of newly constructed or renovated units in the primary market area, the proposed renovation of the subject property, the current occupancy of 93 percent, and the existing project based rental assistance, the proposed rents appear reasonable and appropriate.

Sufficient demand exists to support the proposed units.

- Affordability analysis shows a sufficient number of income qualified renter households to fill the proposed units. Using the proposed contract rents to determine the minimum income limits, we calculated 1,898 total householders and 413 renter householders income qualified for the proposed units. The 55 units at the subject property represent 2.9 percent of total income qualified householders and 13.3 percent for the income qualified renter householders. The capture rates do not account for the PBRA, which will lower the capture rates.
- Capture rates based on DCA's demand methodology are 21.0 percent for the 50 percent units, 13.0 percent for the 60 percent units, and 26.5 percent for all units. These capture rates are all within DCA's general range of acceptability. These capture rates do not account for tenant retention, which is expected to be high. If as little as half of the units remained occupied during the renovation process, the actually capture rate will be 13.3 percent for all units.
- The subject property should be able to capture this percentage of the calculated demand.

B. Project Feasibility

Looking at the proposed Gray Gardens compared to existing rental alternatives in the market, the project's appeal and strength is as follows:

- **Community Design:** Gray Gardens will be one of the more attractive rental communities in the primary market area following renovations. Jones County has seen little new development of multi-family rental housing over the past two decades.

- **Location:** The subject property is located in an established residential portion of Jones County. The subject property is convenient to shopping, health care, and area traffic arteries.
- **Amenities:** The proposed Gray Gardens will offer a competitive amenities package.
- **Unit Mix**: The unit mix distribution of the 55 units at Gray Gardens Apartments of one, two, and three bedroom units will appeal to a wide range of household sizes.
- **Unit Size**: Gray Gardens' proposed unit sizes of 631 square feet for a one bedroom unit, 839 for a two bedroom unit, and 1,056 square feet for a three bedroom unit are smaller than the overall average unit sizes. These smaller unit sizes are a product of the older construction, but they are comparable to many of the existing properties.
- **Price:** The proposed rents appear to be appropriately priced based on existing rental communities and our estimate of market rent. All units currently have and will retain project based rental assistance, lowering the tenant contribution toward rent.
- **Demand:** The affordability analysis and DCA demand estimates indicate sufficient demand to support the proposed development.

C. Absorption Estimate

The newest surveyed community was built in 2004 and unable to provide lease-up information. In addition to or in lieu of the experience of existing rental communities, absorption rate estimates are based on:

- Vacancy Rate – the vacancy rate in the primary market area is stable.
- Demographics – the primary market area is projected to experience modest household growth over the next five years. A significant percentage of these householders are likely to be renters. .
- Demand – the affordability analysis and DCA capture rates indicate sufficient demand to support the proposed development.
- Product Appeal – the proposed development will provide affordable renovated rental units. With the lack of newly rental units in Jones County, the appeal of the newly renovated units will be high among primary market area renters.

We believe that given the proposed design characteristics, competitive amenities/services, current occupancy, project based rental assistance, competitive rents, and stable rental market, and assuming an aggressive, professional marketing campaign, Gray Gardens Apartments should be able to lease up at a minimum rate of **10 units per month.** At this rate, Gray Gardens will reach stabilization (93 percent) within five months. This absorption period will be significantly shorter with significant tenant retention, which is expected.

We believe the product is properly positioned and will be well received in the primary market area. We do not believe that Gray Gardens will have a negative impact on existing rental communities in the primary market area given that is a proposed renovation of an existing rental property with limited vacancies.

D. Final Conclusion

We recommend proceeding with the project as planned. The renovation of the 55 units at the subject property will significantly improve the quality of the rental stock in the primary market area. Jones County has seen little development or redevelopment of multi-family rental housing over the past two decades. The demand estimates and capture rates detailed in this report indicate sufficient demand, even without retention of existing renters. We expected that the vast majority of existing residents will remain at the subject property post renovation.

The proposed currently have and will retain project based rental assistance through Section 8. As a result the proposed rents are higher than maximum LIHTC rents among some of the 50 percent floorplans. With PBRA, tenants will pay a percentage of their income for housing costs not to exceed the proposed contract rent. Without PBRA, some of these rents would be lowered to fall within LIHTC regulations. The proposed rents are priced comparably to our estimate of market rent and appear reasonable and achievable.

We believe the proposed renovations at Gray Gardens will be well received in the primary market area and will be competitive with existing rental communities operating in the region.

Appendix 1 Underlying Assumptions and Limiting Conditions

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the development, marketing or operation of the subject project in the manner contemplated in our report, and the subject project will be developed, marketed and operated in compliance with all applicable laws, regulations and codes.

2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject project, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject project.

3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.

4. The subject project will be served by adequate transportation, utilities and governmental facilities.

5. The subject project will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.

6. The subject project will be on the market at the time and with the product anticipated in our report, and at the price position specified in our report.

7. The subject project will be developed, marketed and operated in a highly professional manner.

8. No projects will be developed which will be in competition with the subject project, except as set forth in our report.

9. There are neither existing judgments nor any pending or threatened litigation which could hinder the development, marketing or operation of the subject project.

The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.

2. Our absorption estimates are based on the assumption that the product recommendations set forth in our report will be followed without material deviation.

3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.

4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.

5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.

6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.

Appendix 2 Analyst Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent on an action or event resulting from the analysis, opinions, or conclusions in, or the use of, this report.
- The market study was not based on tax credit approval or approval of a loan. My compensation is not contingent upon the reporting of a predetermined demand that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Practice as set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- I have made a personal inspection of the property that is the subject of this report.

Tad Scepaniak
Principal
Real Property Research Group, Inc.

Warning: Title 18 U.S.C. 1001, provides in part that whoever knowingly and willfully makes or uses a document containing any false, fictitious, or fraudulent statement or entry, in any manner in the jurisdiction of any department or agency of the United States, shall be fined not more than $10,000 or imprisoned for not more than five years or both.

Appendix 3 NCAHMA Certification

This market study has been prepared by Real Property Research Group, Inc., a member in good standing of the National Council of Affordable Housing Market Analysts (NCAHMA). This study has been prepared in conformance with the standards adopted by NCAHMA for the market analysts' industry. These standards include the Standard Definitions of Key Terms Used in Market Studies for Affordable Housing Projects and Model Content Standards for the Content of Market Studies for Affordable Housing Projects. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Affordable Housing Market Analysts.

Real Property Research Group, Inc. is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in NCAHMA educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Real Property Research Group, Inc. is an independent market analyst. No principal or employee of Real Property Research Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

While the document specifies Real Property Research Group, Inc., the certification is always signed by the individual completing the study and attesting to the certification.

Real Property Research Group, Inc.

Tad Scepaniak
Name

Principal
Title

June 26, 2007
Date

Appendix 3 Resumes

TAD SCEPANIAK

Mr. Scepaniak directs our Atlanta office. He has more than eleven years of experience in the field of residential rental market research. Before joining the firm, Tad was president of national firm, where he was involved extensively in the Low Income Tax Credit program throughout the entire United States. Mr. Scepaniak has completed work in approximately 25 states and Puerto Rico over the past eight years. He also has experience conducting studies under the HUD 221d program, market rate rental properties, and student housing developments. Along with work for developer clients, Tad has led our research efforts for both the North Carolina and Georgia Housing Finance agencies. Mr. Scepaniak is also responsible for development and implementation of many of the firm's automated analytic systems.

Tad is a member of the National Council of Affordable Housing Market Analysts' (NCAHMA) Standards Committee and has been involved in the development of the organization's Standard Definitions, Recommended Market Study Content, and various white papers regarding market areas, derivation of market rents, and selection of comparable properties.

Areas of Concentration:

Low Income Tax Credit Rental Housing: Mr. Scepaniak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions. Mr. Scepaniak not only works with developers in their efforts to obtain tax credit financing, but also has received large contracts with state housing agencies including North Carolina Housing Finance Agency and Georgia Department of Community Affairs.

Senior Housing: Mr. Scepaniak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.

Market Rate Rental Housing: Mr. Scepaniak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia.

ROBERT M. LEFENFELD

Mr. Lefenfeld founded Real Property Research Group in February 2001 after more than 20 years of experience in the field of residential market research. As an officer of research subsidiaries of the accounting firm of Reznick Fedder & Silverman and Legg Mason, he has closely monitored residential markets throughout the Mid-Atlantic United States. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting market studies throughout the United States on rental and for-sale projects. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles.

Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, where he analyzed markets throughout the Eastern United States and evaluated the company's active building operation on an ongoing basis.

Bob has lectured and written extensively on the subject of residential real estate market analysis. He has served as a panel member, speaker, and lecturer at events held by the National Association of Homebuilders and the National Council on Seniors Housing. Recent articles have appeared in ULI's Multifamily Housing Trends magazine. Mid-Atlantic Builder.

Bob is currently a member of the National Council of Affordable Housing Market Analysts' executive committee serving as Chair.

Areas of Concentration:

Strategic Assessments**:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.

Feasibility Analysis**:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects of these analyses have included for-sale single family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations, and continuing care facilities for the elderly. In addition, he has conducted feasibility work in conjunction with Hope VI applications for redevelopment of public housing sites and analyses of rental developments for 221(d)4 insurance and tax credit applications.

Information Products: Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for-sale housing, pipeline information, and rental communities. Information compiled is committed to a Geographic Information System (GIS), allowing the comprehensive integration of data.

Education:
Masters of Urban and Regional Planning; The George Washington University.
Bachelor of Arts, Political Science; Northeastern University.

Appendix 4 DCA Market Study Checklist

I understand that by initializing (or checking) the following items, I am stating that those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report. A list listing of page number(s) is equivalent to check or initializing.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed:__________________________ Date: June 26, 2007

Tad Scepaniak

A. Executive Summary

1	Market demand for subject property given the economic conditions of the area.	Page	VI
2	Projected Stabilized Occupancy Level and Timeframe.	Page	IV
3	Appropriateness of unit mix, rent and unit sizes.	Page	V
4	Appropriateness of interior and exterior amenities including Appliances.	Page	V, VI
5	Location and distance of subject property in relationship to local amenities.	Page	VI
6	Discussion of capture rates in relationship to subject.	Page	VI, VIII
7	Conclusion regarding the strength of the market for subject.	Page	VII, VIII

B. Project Description

1	Project address, legal description and location. *A legal description is not provided as it was not available. Legal descriptions are not considered a concern regarding feasibility or appeal of the site.*	Page	3
2	Number of units by unit type.	Page	4
3	Unit size, # of bedrooms and structure type (i.e. townhouse, garden apartment, etc).	Page	4
4	Rents and Utility Allowance*.	Page	2
5	Existing or proposed project based rental assistance.	Page	2
6	Proposed development amenities (i.e. washer/dryer hookups, dishwasher etc.).	Page	3
7	For rehab proposals, current occupancy levels, rents, and tenant incomes (if available), as well as detailed information as to renovation of property.	Page	3
8	Projected placed in service date.	Page	3
9	Construction type: New Construction/Rehab/Adaptive Reuse, etc.	Page	3

10	Occupancy Type: Family, Elderly, Housing for Older Persons, Special Needs, etc.	Page	3
11	Special Population Target (if applicable).	Page	3

C. Site Evaluation

1	Date of Inspection of Subject Property by Market Analyst.	Page	iii
2	Physical features of Subject Property and Adjacent Uses.	Page	3
3	Subject Photographs (front, rear, and side elevations as well as street scenes).	Page	7
4	Map identifying location of subject as well as closest shopping centers, schools, medical facilities and other amenities relative to subject.	Page	11, 12
5	Developments in vicinity to subject and proximity in miles (Identify developments surrounding subject on all sides) - zoning of subject and surrounding uses.	Page	5, 11, 12
6	Map identifying existing low-income housing within the Primary Market Area and proximity in miles to subject.	Page	42
7	Road or infrastructure improvements planned or under construction in the PMA.	Page	5
8	Comment on access, ingress/egress and visibility of subject.	Page	5
9	Any visible environmental or other concerns .	Page	5
10	Overall conclusions of site and their marketability.	Page	5

D. Market Area

1	Map identifying Subject's Location within PMA .	Page	15
2	Map identifying Subject's Location within SMA, if applicable.	Page	N/A

E. Community Demographic Data

Data on Population and Households Five Years Prior to Market Entry, and Projected Five Years Post-Market Entry. *Population and household estimates are given for 1990, 2000, 2007, and 2012. Household estimates for 2009 are used in the demand calculations. The bench mark years and a five year projection are considered the most accurate population and household estimates. Additional estimates can be provided, however were omitted in an effort to simplify this section. Estimates of household growth for various years are used throughout the report in the demand, affordability, and capture rate analyses.*	Page	24, 34, 37

1. Population Trends

a.	Total Population.	Page	24
b.	Population by Age Group.	Page	27
c.	Number of elderly and non-elderly (for elderly projects).	Page	N/A
d.	If a special needs is proposed, additional information for this segment.	Page	N/A

2. Household Trends

a.	Total number of households and average household size.	Page	24
b.	Households by tenure (# of owner and renter households).	Page	29
	Elderly by tenure, if applicable.		29
c.	Households by Income (Elderly, if applicable, should be allocated separately).	Page	N/A
d.	Renter households by # of persons in the household.	Page	N/A

3. Employment Trend

Appendix 5 NCAHMA Checklist

Component (*First occurring page is noted)	*Page(s)
1. Executive Summary	iii-vii
2. Concise description of the site and adjacent parcels	5
3. Project summary	3
4. Precise statement of key conclusions	56
5. Recommendations and/or modification to project discussion	62
6. Market strengths and weaknesses impacting project	59
7. Lease-up projection with issues impacting performance	61
8. Project description with exact number of bedrooms and baths proposed, income limitation, proposed rents and utility allowances	2, 4
9. Utilities (and utility sources) included rent and paid by landlord or tenant?	2
10. Project design description	3
11. Unit and project amenities; parking	3
12. Public programs included	2, 3,
13. Date of construction/preliminary completion	3
14. Reference to review/status of project plans	N/A
15. Target population description	3
16. Market area/secondary market area description	14
17. Description of site characteristics	5
18. Site photos/maps	7
19. Map of community services	11
20. Visibility and accessibility evaluation	5
21. Crime information	N/A
22. Population and household counts	24
23. Households by tenure	29
24. Distribution of income	31
25. Employment by industry	2
26. Area major employers	19
27. Historical unemployment rate	22
28. Five-year employment growth	16
29. Typical wages by occupation	N/A
30. Discussion of commuting patterns of area workers	N/A
31. Existing rental housing discussion	39

32. Area building permits	25
33. Comparable property discussion	41
34. Comparable property profiles	75
35. Area vacancy rates, including rates for Tax Credit and government-subsidized	44
36. Comparable property photos	75
37. Identification of waiting lists	41
38. Narrative of subject property compared to comparable properties	41
39. Discussion of other affordable housing options including homeownership	N/A
40. Discussion of subject property on existing housing	59, 61
41. Map of comparable properties	48
42. Description of overall rental market including share of market-rate and affordable properties	41
43. List of existing and proposed LIHTC properties	41
44. Interviews with area housing stakeholders	55
45. Availability of Housing Choice Vouchers	N/A
46. Income levels required to live at subject site	2
47. Market rent and programmatic rent for subject	53
48. Capture rate for property	34, 37
49. Penetration rate for area properties	N/A
50. Absorption rate discussion	61
51. Discussion of future changes in housing population	56, if applicable
52. Discussion of risks or other mitigating circumstances impacting project projection	56, if applicable
53. Preparation date of report	Cover
54. Date of field work	iii
55. Certification	66
56. Statement of qualifications	67
57. Sources of data	Various
58. Utility allowance schedule	N/A

Appendix 6 Community Photos and Profiles

Cherry Tree Hill

Multifamily Community Profile

2050 Old Clinton Road
Macon,GA 31211

CommunityType: **Market Rate - General**
Structure Type: **Garden**

152 Units **11.2% Vacant (17 units vacant) as of 6/18/2007** **Opened in 1983**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	$400	600	$0.67
One/Den	--	--	--	--
Two	--	$500	900	$0.56
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse:	☐	Pool-Outdr:	☑
Comm Rm:	☐	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☑
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☐		

Features

Standard: **Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Carpet**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking** *Parking 2:* --
Fee: -- *Fee:* --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	$420	600	$.70	--
Garden	--	2	1	--	$520	900	$.58	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	11.2%	$400	$500	--
12/9/03	3.9%	$370	$470	--
3/27/03	5.3%	$410	$510	--

Adjustments to Rent

Incentives:
$449 Move-in special for June

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☑
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Collonade

Multifamily Community Profile

153 E Clinton St
Gray,GA

CommunityType: **Market Rate - General**
Structure Type: **Garden/TH**

70 Units **10.0% Vacant (7 units vacant) as of 6/18/2007** **Last Major Rehab in 1998** **Opened in 1972**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	28.6%	$400	800	$0.50
One/Den	--	--	--	--
Two	57.1%	$475	1,000	$0.48
Two/Den	--	--	--	--
Three	14.3%	$580	1,100	$0.53
Four+	--	--	--	--

Community Amenities

Clubhouse:	☐	Pool-Outdr:	☑
Comm Rm:	☐	Basketball:	☑
Centrl Lndry:	☐	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☐		

Features

Standard: **Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony**

Select Units: **Ceiling Fan**

Optional($): --

Security: --

Parking 1: **Free Surface Parking**
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	20	$400	800	$.50	--
Townhouse	--	2	1.5	40	$475	1,000	$.48	--
Townhouse	--	3	1.5	10	$580	1,100	$.53	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	10.0%	$400	$475	$580

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☑
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Grove Park Village

Multifamily Community Profile

1505 Clinton Rd
Macon,GA

CommunityType: **LIHTC - General**
Structure Type: **Garden**

40 Units **7.5% Vacant (3 units vacant) as of 6/18/2007** **Opened in 2004**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	60.0%	$425	--	--
One/Den	--	--	--	--
Two	30.0%	$545	--	--
Two/Den	--	--	--	--
Three	10.0%	$610	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse:	☑	Pool-Outdr:	☐
Comm Rm:	☐	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☐		

Features

Standard: **Ceiling Fan; Central A/C**

Select Units: --

Optional($): --

Security: **Gated Entry**

Parking 1: **Free Surface Parking** *Parking 2:* --
Fee: -- *Fee:* --

Property Manager: --
Owner: --

Comments

LIHTC property with 100% Section 8 rental assistance

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	24	$425	--	--	LIHTC/ 50%
Garden	--	2	1	12	$545	--	--	LIHTC/ 50%
Garden	--	3	2	4	$610	--	--	LIHTC/ 50%

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	7.5%	$425	$545	$610

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☑
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Highland Hills

Multifamily Community Profile

2275 Gray Highway
Macon,GA

CommunityType: **Market Rate - General**
Structure Type: **Garden/TH**

241 Units **18.7% Vacant (45 units vacant) as of 6/18/2007** **Opened in 1977**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	$499	881	$0.57
One/Den	--	--	--	--
Two	--	$497	1,041	$0.48
Two/Den	--	--	--	--
Three	--	$667	1,528	$0.44
Four+	--	$1,084	2,047	$0.53

Community Amenities

Clubhouse:	[x]	Pool-Outdr:	[x]
Comm Rm:	[ ]	Basketball:	[ ]
Centrl Lndry:	[x]	Tennis:	[x]
Elevator:	[ ]	Volleyball:	[ ]
Fitness:	[ ]	CarWash:	[ ]
Hot Tub:	[ ]	BusinessCtr:	[ ]
Sauna:	[ ]	ComputerCtr:	[ ]
Playground:	[ ]		

Features

Standard: **Dishwasher; Disposal; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony**

Select Units: **Fireplace**

Optional($): **--**

Security: **--**

Parking 1: **Free Surface Parking** *Parking 2:* **--**
Fee: **--** *Fee:* **--**

Property Manager: **--**
Owner: **--**

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	$515	881	$.58	--
Townhouse	--	2	1.5	--	$575	1,187	$.48	--
Garden	--	2	2	--	$450	895	$.50	--
Garden	--	3	2	--	$650	1,257	$.52	--
Townhouse	--	3	2.5	--	$715	1,798	$.40	--
Townhouse	--	4	3	--	$1,100	2,047	$.54	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	18.7%	$499	$497	$667

Adjustments to Rent

Incentives:
$200 off first months rent

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	[ ]	Cooking:	[ ]	Wtr/Swr:	[x]
Hot Water:	[ ]	Electricity:	[ ]	Trash:	[x]

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Overlook Gardens

Multifamily Community Profile

1400 Gray Highway
Macon,GA 31211

CommunityType: Market Rate - General
Structure Type: Garden

184 Units 4.3% Vacant (8 units vacant) as of 6/18/2007

Opened in 1988

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	$504	733	$0.69
One/Den	--	--	--	--
Two	--	$580	1,033	$0.56
Two/Den	--	--	--	--
Three	--	$706	1,255	$0.56
Four+	--	--	--	--

Community Amenities

Clubhouse:	☐	Pool-Outdr:	☑
Comm Rm:	☐	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☑		

Features

Standard: **Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony; Carpet**

Select Units: --

Optional($): --

Security: **Gated Entry**

Parking 1: **Free Surface Parking**
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	$499	733	$.68	--
Garden	--	2	2	--	$599	1,094	$.55	--
Garden	--	2	1	--	$549	971	$.57	--
Garden	--	3	2	--	$699	1,255	$.56	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	4.3%	$504	$580	$706
12/9/03	3.8%	$465	$559	$637
3/27/03	3.8%	$465	$559	$637

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☐
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Pine Ridge

Multifamily Community Profile

1968 Clinton Rd
Macon,GA

CommunityType: **Market Rate - General**
Structure Type: **Garden/TH**

83 Units **4.8% Vacant (4 units vacant) as of 6/18/2007** **Opened in 1965**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	$395	525	$0.75
One/Den	--	--	--	--
Two	--	$515	1,019	$0.51
Two/Den	--	--	--	--
Three	--	$585	1,092	$0.54
Four+	--	--	--	--

Community Amenities

Clubhouse: ☐ Pool-Outdr: ☐
Comm Rm: ☐ Basketball: ☐
Centrl Lndry: ☐ Tennis: ☐
Elevator: ☐ Volleyball: ☐
Fitness: ☐ CarWash: ☐
Hot Tub: ☐ BusinessCtr: ☐
Sauna: ☐ ComputerCtr: ☐
Playground: ☐

Features

Standard: **Dishwasher; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking**
Fee: --

Parking 2: --
Fee: --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	--	$395	525	$.75	--
Garden	--	2	2	--	$535	1,084	$.49	--
Townhouse	--	2	1.5	--	$495	954	$.52	--
Garden	--	3	2	--	$595	1,024	$.58	--
Townhouse	--	3	1.5	--	$575	1,160	$.50	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	4.8%	$395	$515	$585

Adjustments to Rent

Incentives:
None

Utilities in Rent: Heat Fuel: **Electric**

Heat: ☐ **Cooking:** ☐ **Wtr/Swr:** ☑
Hot Water: ☐ **Electricity:** ☐ **Trash:** ☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

The Vistas

Multifamily Community Profile

4150 Arkwright Rd
Macon,GA

CommunityType: **Market Rate - General**
Structure Type: **Garden**

144 Units **1.4% Vacant (2 units vacant) as of 6/18/2007** **Opened in 1983**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	38.9%	$635	885	$0.72
One/Den	--	--	--	--
Two	61.1%	$686	1,197	$0.57
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse:	☑	Pool-Outdr:	☑
Comm Rm:	☑	Basketball:	☐
Centrl Lndry:	☑	Tennis:	☑
Elevator:	☐	Volleyball:	☐
Fitness:	☑	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☑		

Features

Standard: **Dishwasher; Disposal; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C**

Select Units: **Fireplace**

Optional($): --

Security: --

Parking 1: **Free Surface Parking** *Parking 2:* --
Fee: -- *Fee:* --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Garden	--	1	1	56	$655	885	$.74	--
Garden	--	2	2	24	$675	1,069	$.63	--
Garden	--	2	2	48	$710	1,198	$.59	--
Garden	--	2	1	16	$735	1,384	$.53	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	1.4%	$635	$686	--
11/7/06	4.9%	$585	$698	--

Adjustments to Rent

Incentives:
$300 off first months rent

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☐
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Villas at Gray

Multifamily Community Profile

112 W Clinton St
Gray,GA

CommunityType: **Market Rate - General**
Structure Type: **Duplex**

16 Units **0.0% Vacant (0 units vacant) as of 6/18/2007**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	--	--	--
One/Den	--	--	--	--
Two	100.0%	$656	1,350	$0.49
Two/Den	--	--	--	--
Three	--	--	--	--
Four+	--	--	--	--

Community Amenities

Clubhouse:	☐	Pool-Outdr:	☐
Comm Rm:	☐	Basketball:	☐
Centrl Lndry:	☐	Tennis:	☐
Elevator:	☐	Volleyball:	☐
Fitness:	☐	CarWash:	☐
Hot Tub:	☐	BusinessCtr:	☐
Sauna:	☐	ComputerCtr:	☐
Playground:	☐		

Features

Standard: **Dishwasher; Ceiling Fan; In Unit Laundry (Hook-ups); Central A/C; Patio/Balcony**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking** *Fee:* --

Parking 2: -- *Fee:* --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
Duplex	--	2	2	16	$650	1,350	$.48	--

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	0.0%	--	$656	--

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat:	☐	Cooking:	☐	Wtr/Swr:	☐
Hot Water:	☐	Electricity:	☐	Trash:	☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.

Walnut Hills

Multifamily Community Profile

2050 Merriwood Dr
Macon,GA

CommunityType: **Deep Subsidy-General**
Structure Type: **Garden**

100 Units **30.0% Vacant (30 units vacant) as of 6/18/2007**

Unit Mix & Effective Rent (1)

Bedroom	%Total	Avg Rent	Avg SqFt	Avg $/SqFt
Eff	--	--	--	--
One	--	--	--	--
One/Den	--	--	--	--
Two	72.0%	$340	900	$0.38
Two/Den	--	--	--	--
Three	28.0%	$373	1,000	$0.37
Four+	--	--	--	--

Community Amenities

Clubhouse: ☐ Pool-Outdr: ☐
Comm Rm: ☐ Basketball: ☐
Centrl Lndry: ☐ Tennis: ☐
Elevator: ☐ Volleyball: ☐
Fitness: ☐ CarWash: ☐
Hot Tub: ☐ BusinessCtr: ☐
Sauna: ☐ ComputerCtr: ☐
Playground: ☐

Features

Standard: **In Unit Laundry (Hook-ups); Central A/C**

Select Units: --

Optional($): --

Security: --

Parking 1: **Free Surface Parking** *Fee:* --

Parking 2: -- *Fee:* --

Property Manager: --
Owner: --

Comments

Floorplans (Published Rents as of 6/18/2007) (2)

Description	Feature	BRs	Bath	#Units	Rent	SqFt	Rent/SF	Program
	--	2	1	72	$340	900	$.38	Section 8
	--	3	1	28	$373	1,000	$.37	Section 8

Historic Vacancy & Eff. Rent (1)

Date	%Vac	1BR $	2BR $	3BR $
6/18/07	30.0%	--	$340	$373

Adjustments to Rent

Incentives:
None

Utilities in Rent: *Heat Fuel:* **Electric**

Heat: ☐ **Cooking:** ☐ **Wtr/Swr:** ☑
Hot Water: ☐ **Electricity:** ☐ **Trash:** ☑

(1) Effective Rent is Published Rent, net of utilities and concessions. (2) Published Rent is rent as quoted by management.